

Future
IM/Pact



Strategy Recommendation for Airbnb

Prepared by:

Harrison Hu
Marilyn Zhu
Siddhartha Misra
Alina Pletneva



Executive Summary



Airbnb is an online marketplace that focuses on homestays and experiences, connecting travellers and guests with hosts

Industry Overview

Although the hospitality has seen the brunt of its growth from the effects of COVID, the adaptation of consumer patterns sees growth opportunities in the short/ medium term

Company Overview

High differentiation from competitors with the focus on authentic local experiences and unique stays

Investment Thesis

Growing initiatives that drive revenue

Leveraging rising customer preferences towards hybrid working styles

Defensible business model with strong and stable generative cash flow



\$192.45m
Equity Value on Exit

24.1%
Internal Rate of Return

2.9x
Cash on Cash Return

Investment Suitability

Culture and Leadership

Airbnb's reputable management are capable of executing innovation.

Generational Winner

Airbnb aptly sits within TDM's niche portfolio of Generational Winners

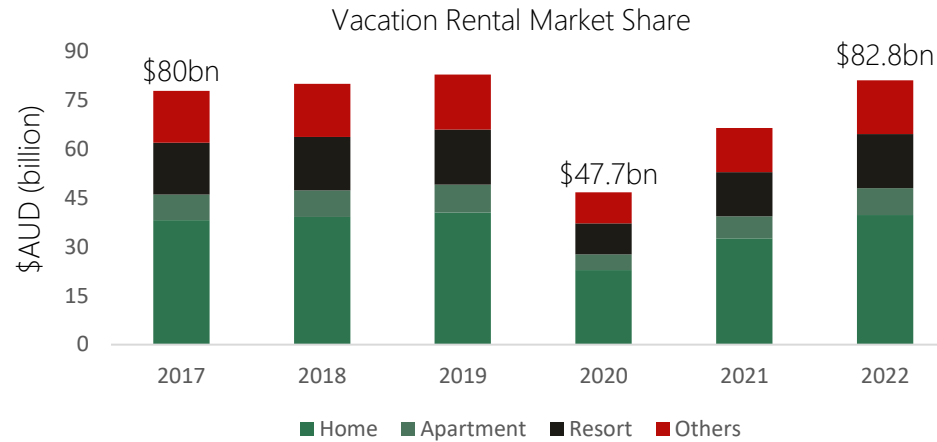
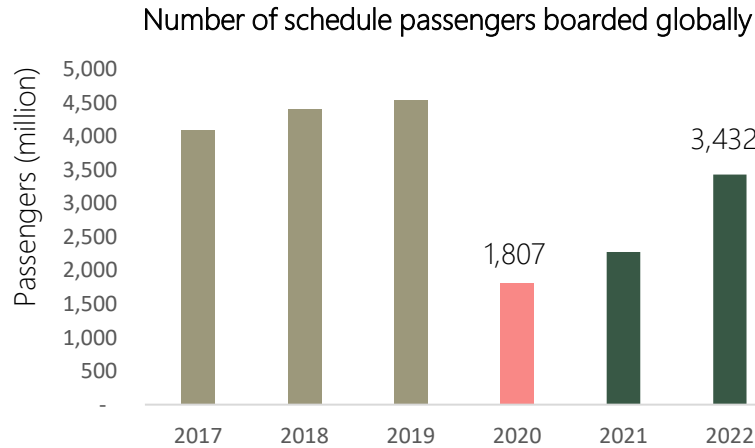
TDM Approach

The equity investment satisfies TDM's investment approach

Industry Overview

COVID-19 has delayed the growth of the hospitality industry significantly but a recovery is expected due to shift in consumption patterns

Post COVID-19 sees slow recovery in on the hospitality industry, combatted with inflationary headwinds



Inflationary Pressures

Energy Prices

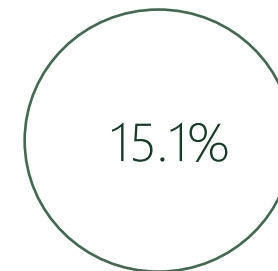
Petrol and oil inflation from global tensions impacting travelling costs

Higher Rent

Global rental prices increase by 184%, driven by increased demand from travelers

However, changing consumer patterns in the hospitality industry sees growth opportunities in the long-term....

- 1 Emerging leisure and remote working allow the hotel and housing subindustry to capitalize on this emerging segment
- 2 Growth in popularity of staycations boost the post COVID-19 recovery in the hotel subindustry
- 3 Leverage of digital transformation to provide individualised guest experience e.g. technology-assisted options



Expected CAGR from 2022-26



Global Hospitality Market Share (2021)



Global Hospitality Market Share (2026)

AirBnb Business Model

Airbnb (NASDAQ:ABNB) is a peer-to-peer online platform for hosts and guests to list rentals and experiences worldwide.

Airbnb's Key Metrics

\$13.8k

Earned by Typical US Host 2021

6m

Active Listings

50k

Experiences in 1k+ cities

Two Main Revenue Streams

Guest Service Fee

14%

- Guests charged around 14% on top of booking fee.
- 2021 Airbnb generated \$6b in service fees

Host Commission Fee

3% or 20%

- Hosts charged 3% for rentals and 20% Airbnb Experiences
- Fees cover customer support, marketing, protection etc.

Further Market Segmentation

- **Freelance Photographers:** High-quality freelancers to promote bookings worldwide.
- **Experience Providers:** Specialists provide classes, tours and events for Airbnb Experiences.
- **Hotels:** Although Airbnb differentiates itself, boutique and independent hotels can also list bookings.

Airbnb's Unique Value Proposition

- ✓ Personal connection and more **authentic local experience** than any hotel.
- ✓ Modern approach to living in an "experience economy".
- ✓ Frictionless, efficient user experience on user-friendly app.
- ✓ Rating system ensures reliable and safe accommodation.



Competitive Landscape

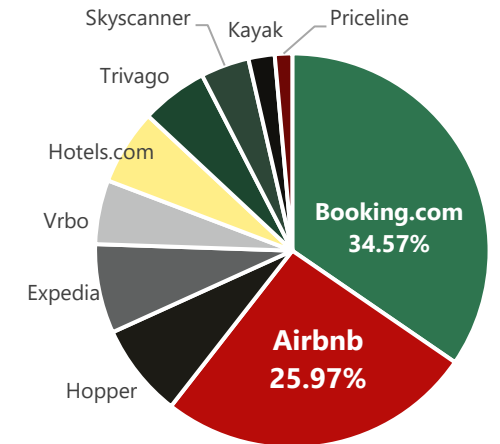
Competitors



Vacation rentals industry fragmented with several key players providing different services

Preference for home accommodation segment dominating market with 45% in 2021

Rather than a mere booking engine, Airbnb is a "home away from home" offering distinctive experiences.



Airbnb 2022 Market Share

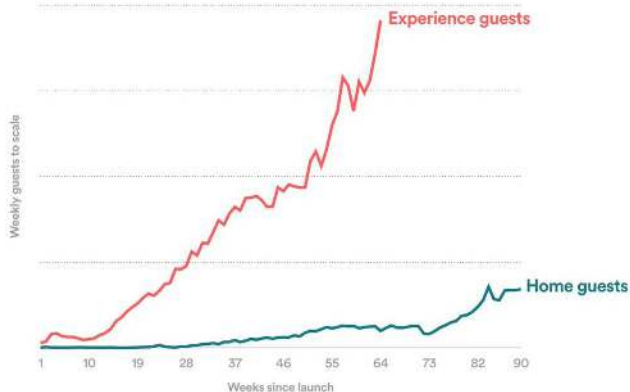
Source: Apptopia

Investment Thesis 1

Airbnb's strategic initiatives focused on quality experiences over standard bookings are key catalysts driving the company's revenue growth

AirBnb Experiences

Growth since 2018 Launch



- Upgrades connecting guests to tours, events, adventures and services.
- 1,000 cities featuring over 50,000 Experiences
- Experience hosts earn an average of \$10,000/yr

"Live and Work Anywhere" Initiative

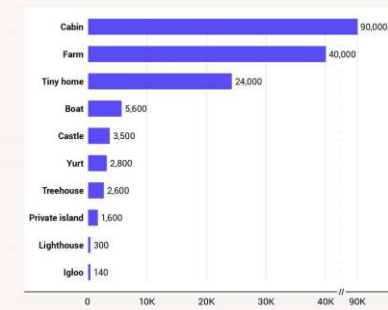
- Partnership with 20 destinations to facilitate access to long term stay listings, tax policies, entry requirements etc.
- Companies encouraged to work with Airbnb to provide remote working locations



AirBnb Categories

- 56 Categories of organised homes based on style, location, travel activity.
- "Biggest redesign in decade" to redistribute travel to new and unique locations.

Alternative listing types and frequency



74% of US citizens mentioned they prioritise experiences over products

Objective to provide unique, intimate experiences with locals since "Shop local" searches grew **66%** from 2021 -2022

10% of bookings were selected for long-term stays in 2022, increased from 6% in 2019

20% of guests used platform to work remotely whilst travelling in 2021

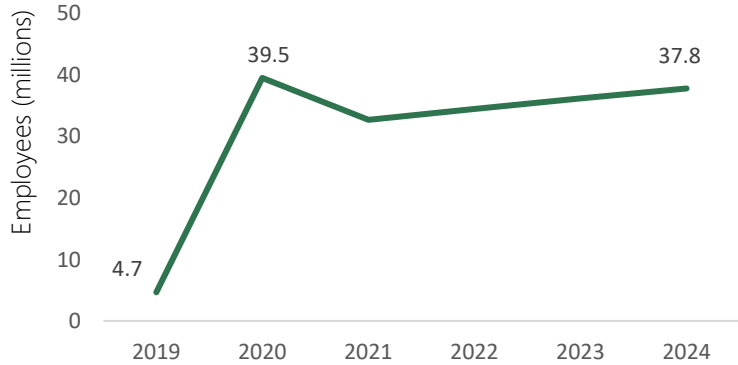
Nights booked Q1 2022 in unique homes increased **80%** compared to 2019

Investment Thesis 2

Leveraging changing consumer preferences towards hybrid working styles post-pandemic

Total Forecasted Remote Working Employees

US Job holders that can work remotely at least part of the time

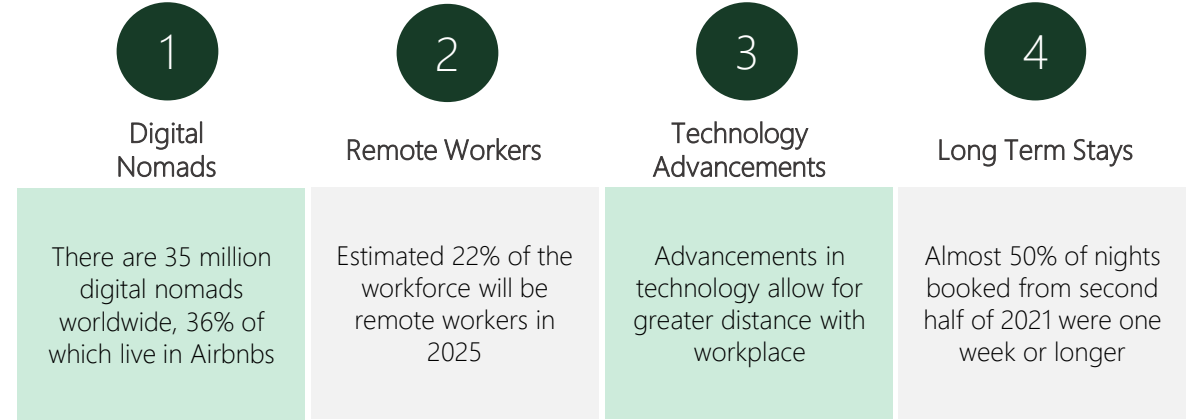


55%
of employees wish to work remotely at least 3 days a week

26%
Secular transition towards greater remote working

Source: Zippia

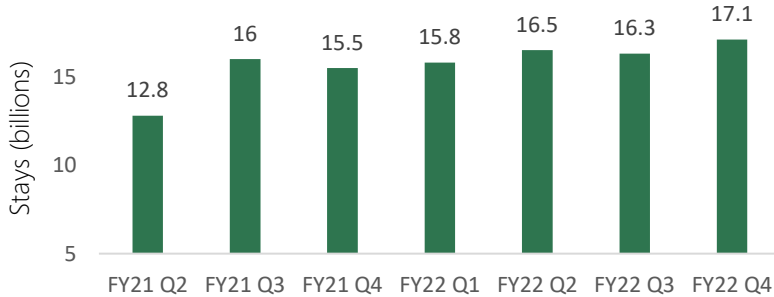
Expansion of hybrid work style driven by key pillars...



Airbnb positioned to make it easier to work from anywhere...

Emergence of Long-Term Stays (28 days or more)

Long-Term Stays



Average trip length has increased by 15% over the past 2 years

Upwards trajectory of longer-term stay synergises with the uptake of remote and hybrid work

Source: Airbnb Quarterly Report



Experiences

Increased utility from work life balance to ensure optimal traction in future years

89%

of remote employees are more satisfied than on-premise counterparts (77%)

Source: ADP Research Institute (2022)



Workplaces

An opportunity to capitalize on work life balance as organisations become more flexible in the future of work

73%

of organisations worldwide allow for employees to work remotely

Source: Gartner (2021)

Investment Thesis 3

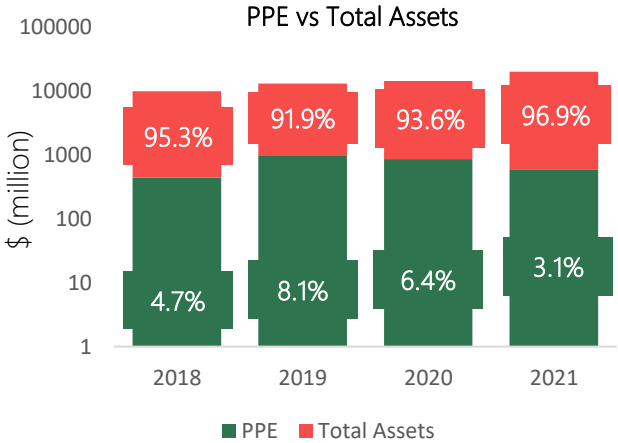
An asset-light company with well-known brand capable of generating strong stable, long term cash flow

Hamilton Helmers 7 Power Framework Highlights

<p>1 Network Economies</p>	<ul style="list-style-type: none"> Simple platform for available rentals with a constantly expanding network of hosts Increased outreach through local experiences and tourist experiences synergises with the growth of additional demand for Airbnb
<p>2 Counter-Positioning</p>	<ul style="list-style-type: none"> Airbnb offers unique value proposition that breaks the rigid norms of manned accommodation provided by hotels Flexibility of unique, niche experiences
<p>3 Brand</p>	<ul style="list-style-type: none"> Commitment to quality and delivery of high standards amongst a variety of highly satisfactory experiences High level of established trust and confidence in Airbnb's services
<p>4 Cornered Resource</p>	<ul style="list-style-type: none"> Two-sided online network of hosts as providers of rentals and customers that seek rentals Difficult for other competitors to emulate Airbnb's extensive built network

Cost-efficiency allows Airbnb to have a competitive advantage

- Length of Stay**
 Flexible length of stay with increased savings with greater trip length. Reduced cleaning fees per stay with longer nights.
- Size of Group**
 Airbnb is able to service a larger group of individuals at lower costs than hotels
- Staff availabilities**
 Check-ins with Airbnbs do not require staff and hence can save significantly on labour costs



Airbnb possesses market leading characteristics...

- Lightness of assets to grow and operate in expansion e.g. servers, computers
- Low-cost structures and lower marketing expenses
- High margins due to non-increasing fixed costs

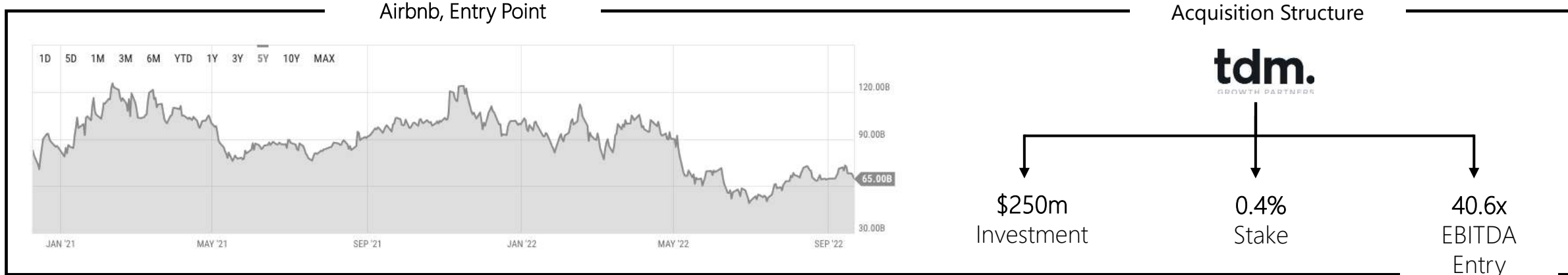
Strengthens Airbnb's competitive advantage to remain in market

"Reported the largest revenue in history from the latest quarter"

\$1.5M

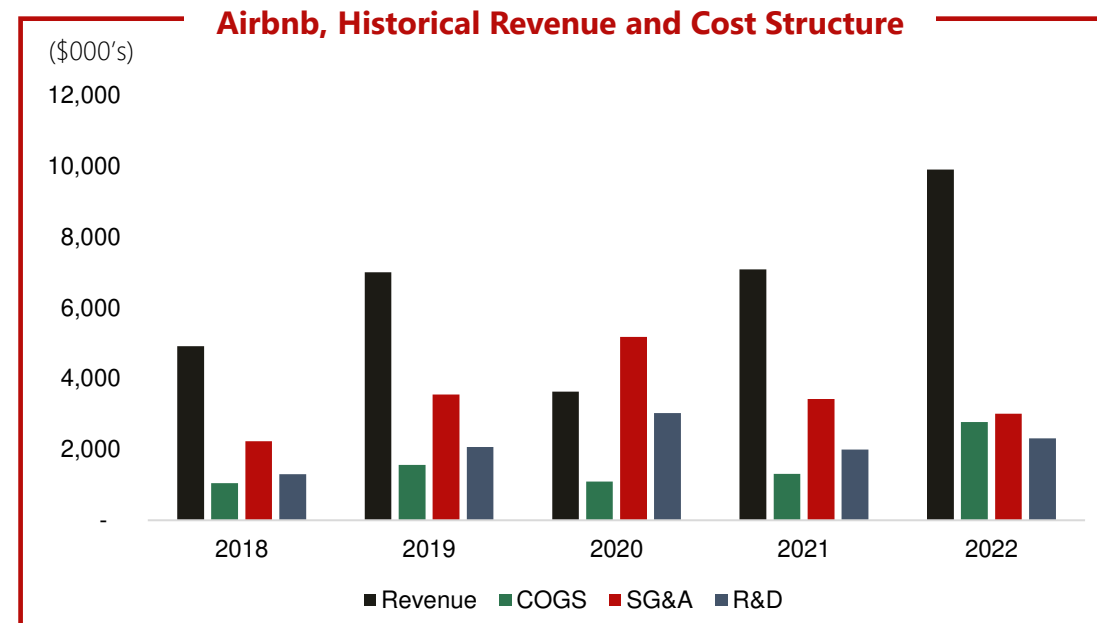
FY22 Q4 Revenue

The recent downturn in US equities has positioned Airbnb perfectly for an equity investment and turnaround narrative.



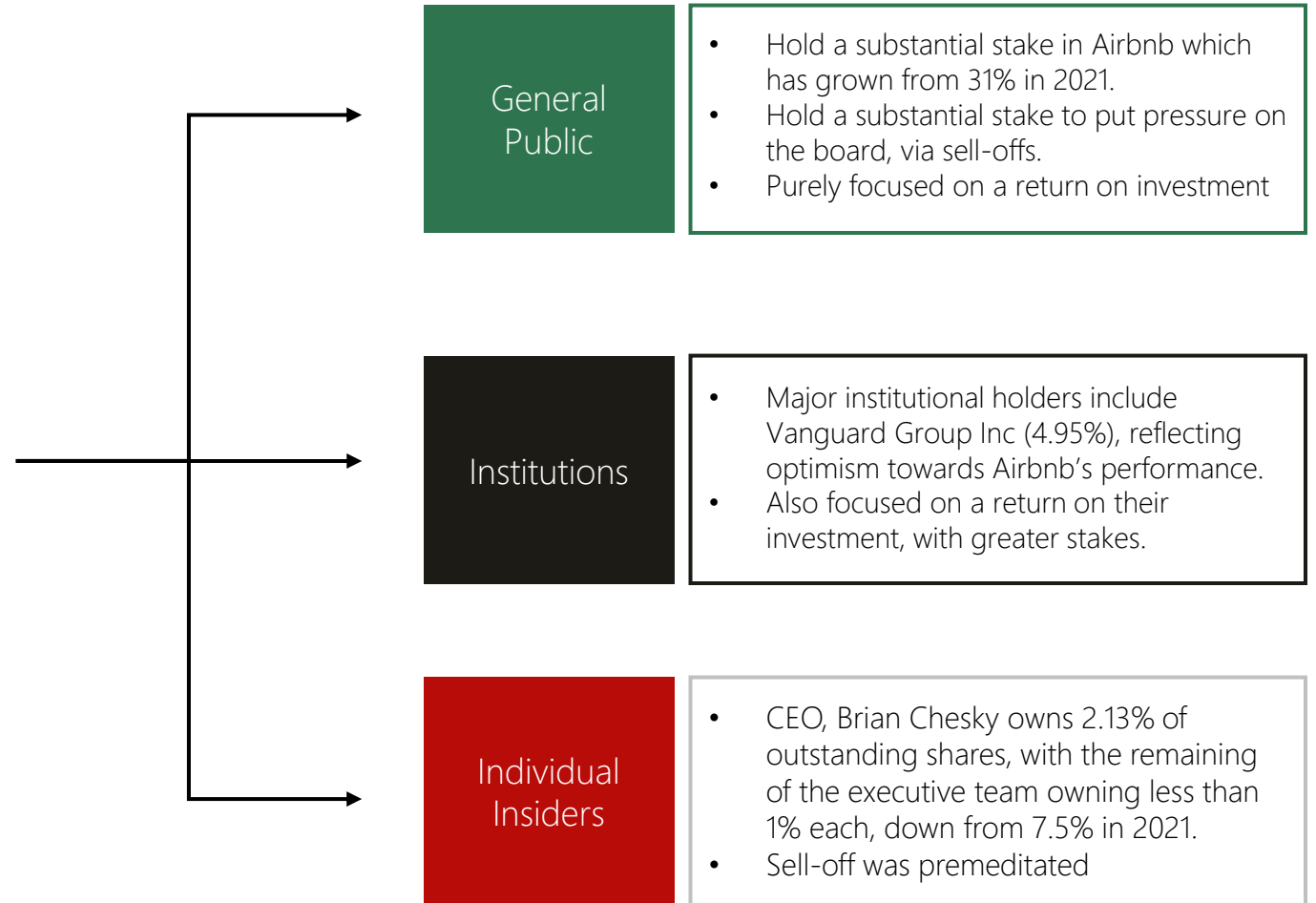
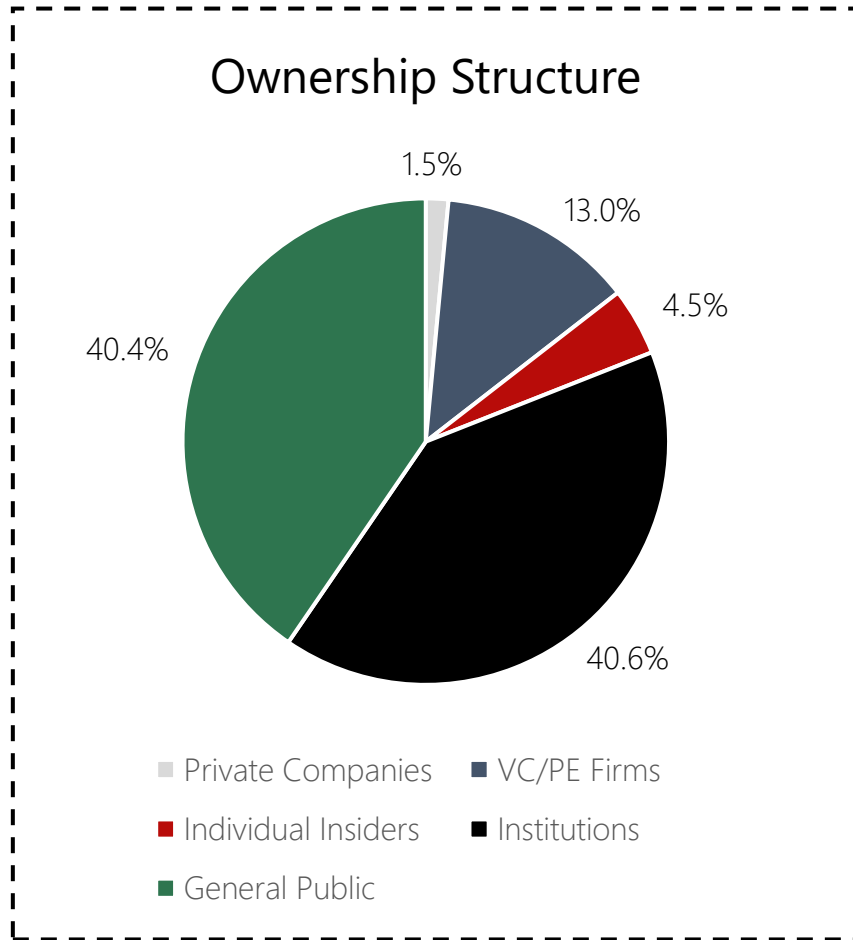
We considered 3 possible scenarios for the holding period...

- 1 Bull Case**
 - Total International tourism grows rapidly in the aftermath of COVID-19, with a significant expansion on GBV as a result of increasing long-term stay market share and GBV per night & experience.
 - Increases margins from improved R&D and back-end operations.
- 2 Base Case**
 - Expected international tourism to reach 70% of 2019 levels in 2023, with a growing long-term stay market capture with averaged GBV nights & experiences.
 - Margins remain at historical levels from 2018-2022.
- 3 Bear Case**
 - Lagging international tourism growth, with underwhelming GBV, driven by poorer growth in long-term stays and lower GBV per nights & experiences
 - Eroded margins from inefficiencies in implementing future strategies



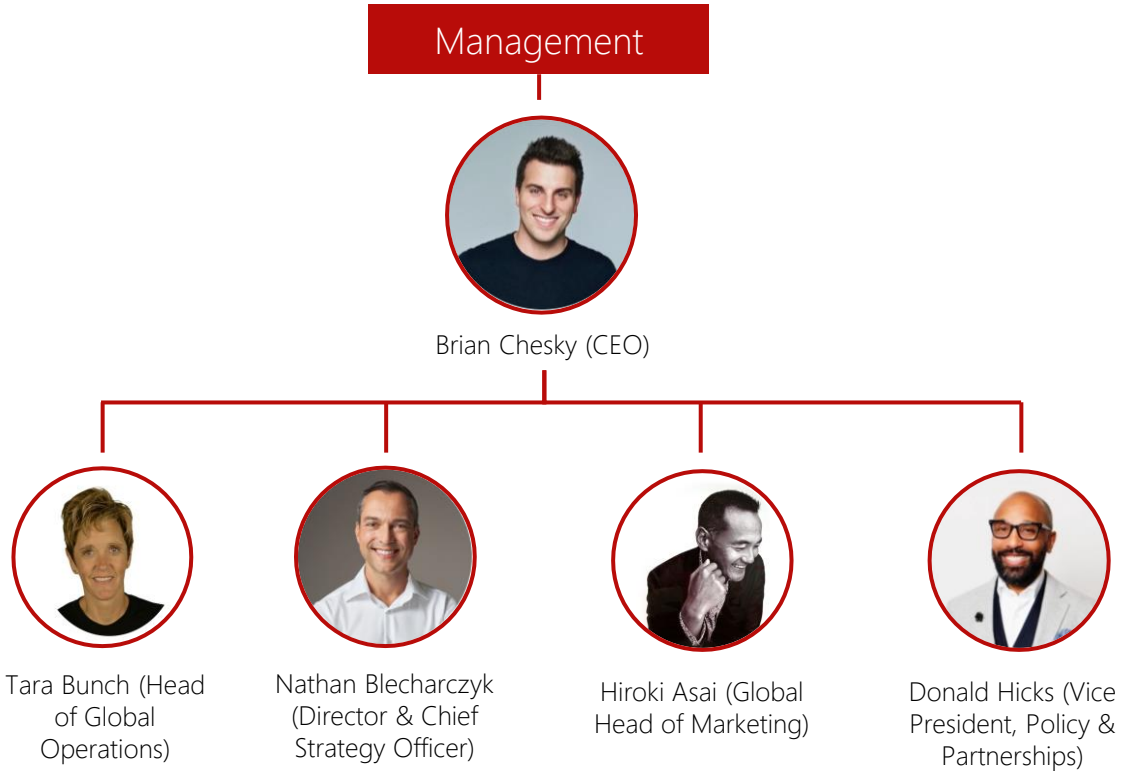
Shareholder Structure

The shareholder structure is dominated by institutional investors, indicating positive sentiment, however, there is minimal insider holding.

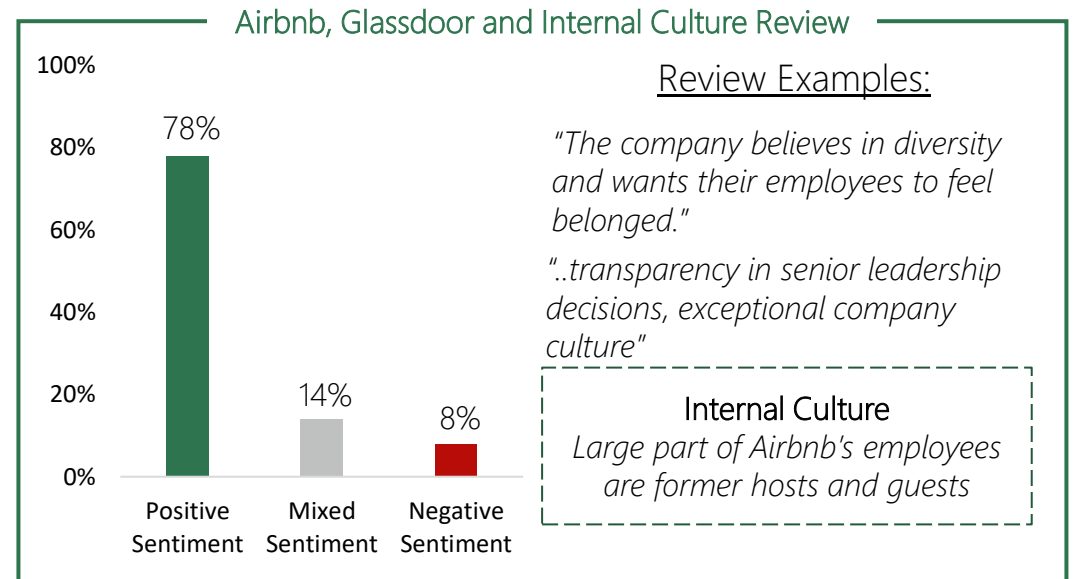
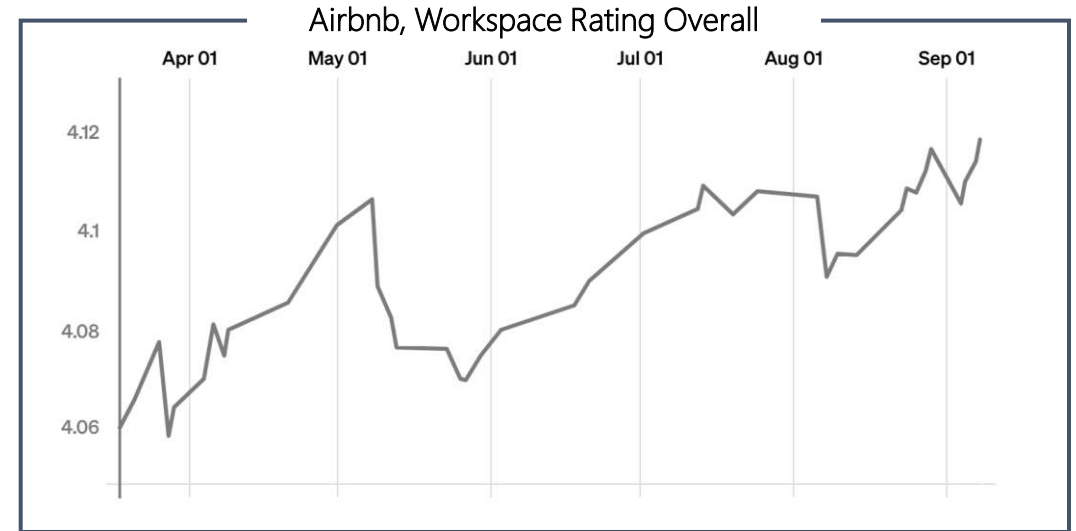


Management and Culture

Airbnb's management is well-experienced and position to rediscover their business model, with a culture is focused on excellence, curiosity, constant search for new ideas and above all focused on the host.



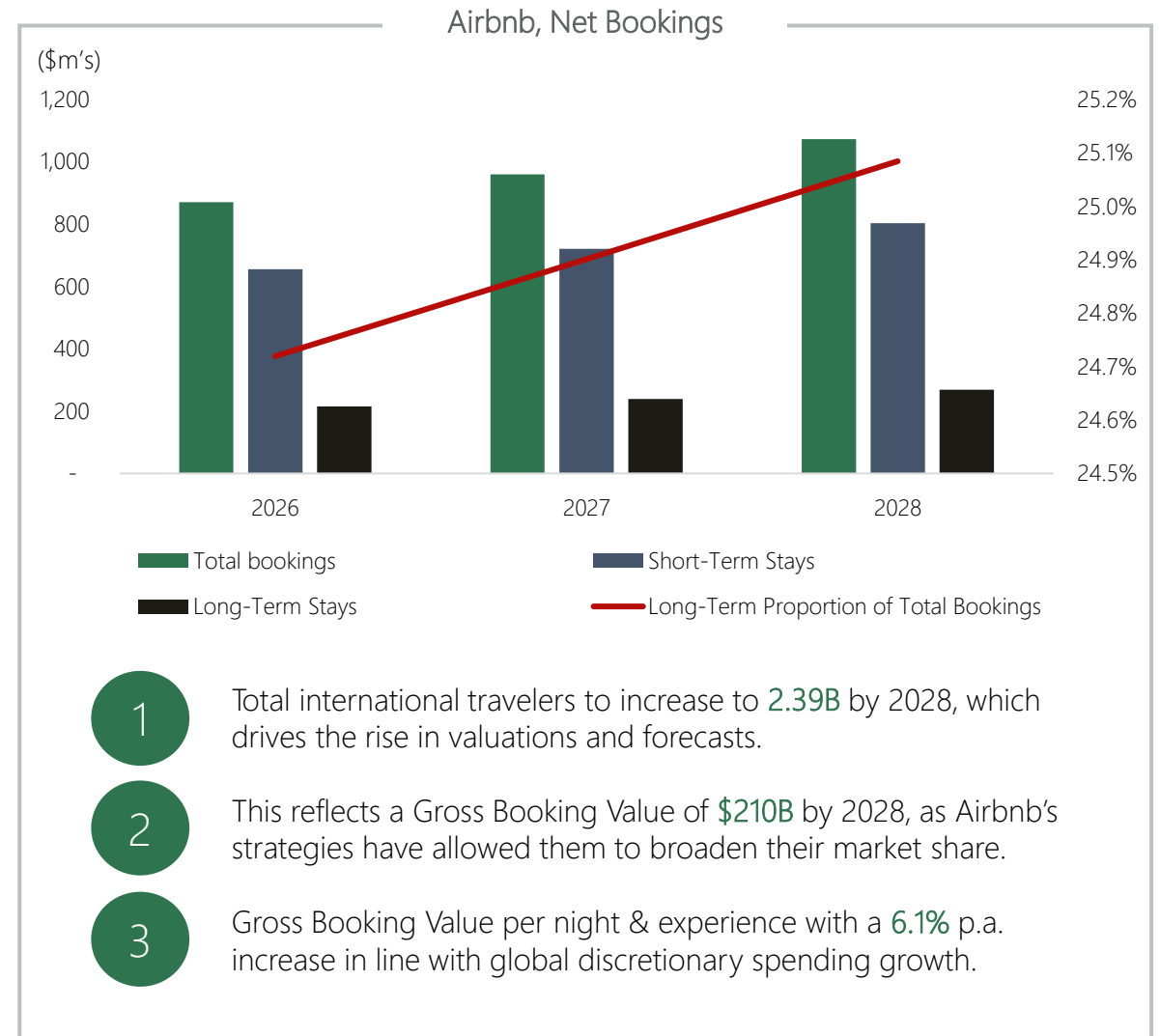
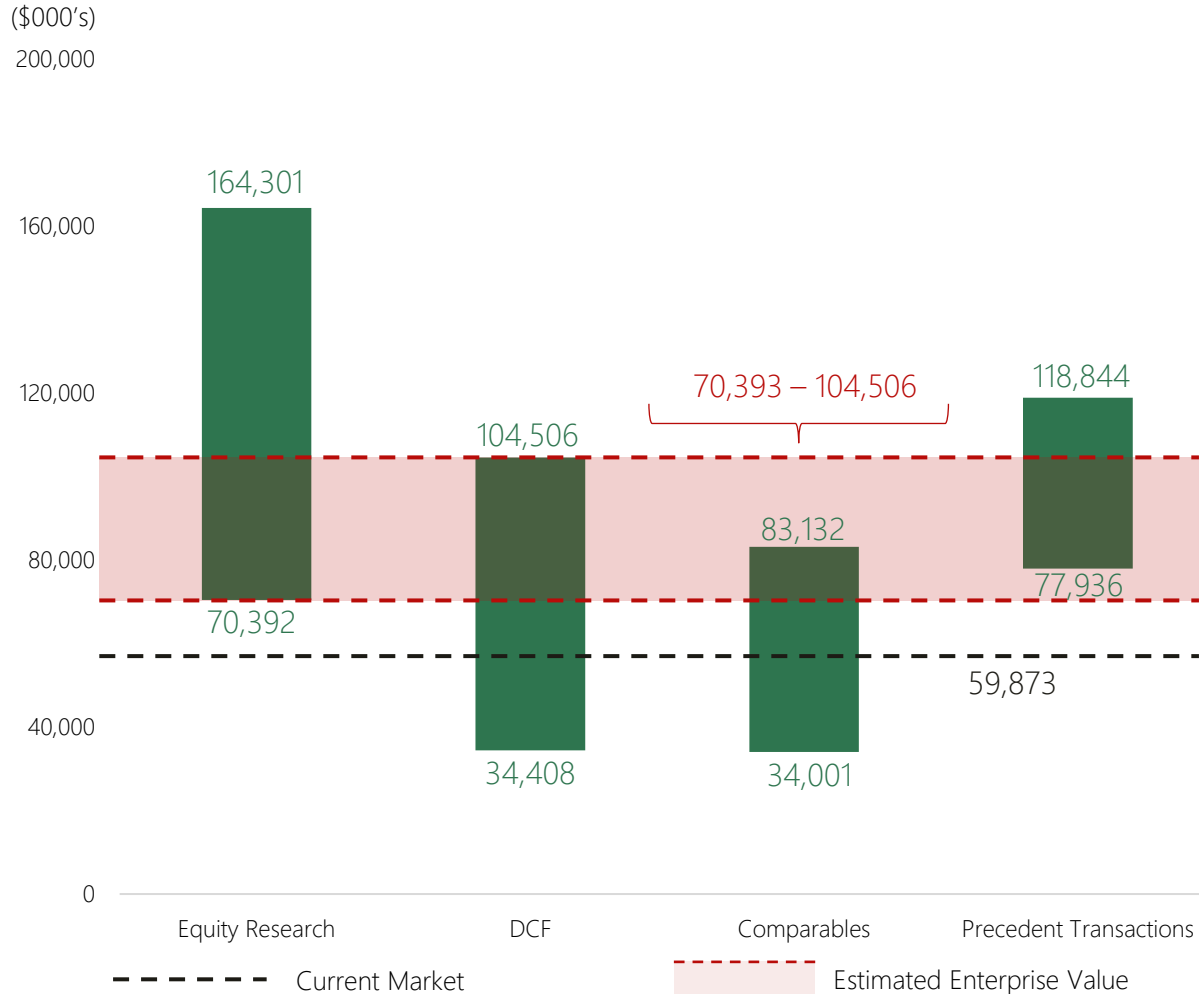
Entity	Sale	Rationale
Aristotle Balogh	~\$13,500,000	10b5-1 Trading plan – prearranged schedule
Belinda Johnson	~\$183,000,000	10b5-1 Trading plan – prearranged schedule
Joseph Gebbia	~\$320,000,000	10b5-1 Trading plan, undisclosed
Nathan Blecharczyk	~\$500,000,000	10b5-1 Trading plan, undisclosed



Valuations

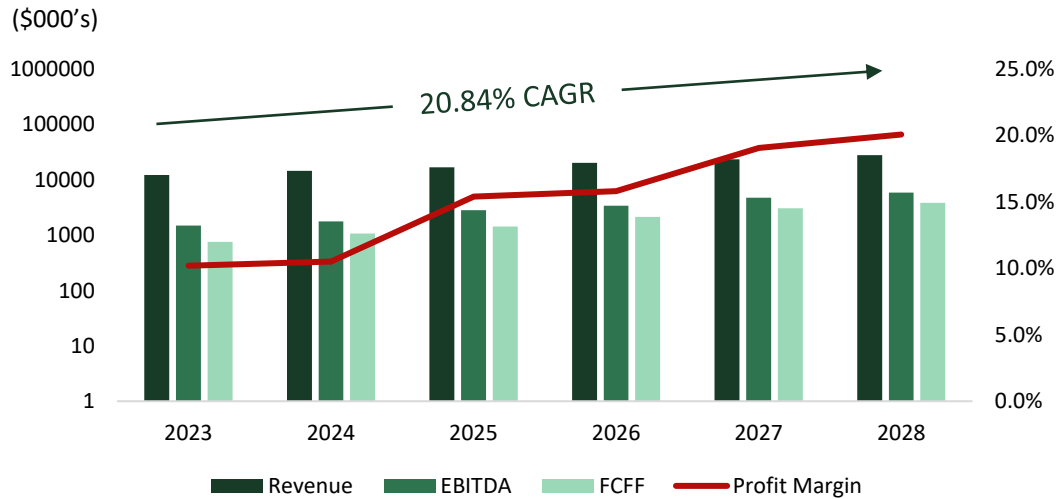
We believe that Airbnb is undervalued, and the market is yet to uncover the sharp rise in net bookings which drive Airbnb's revenue.

Implied Enterprise Value suggests the market is yet to react...



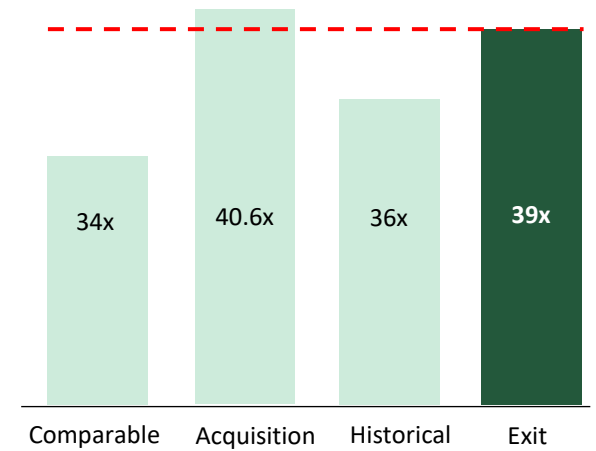
We believe TDM will receive an internal rate of return of 24.1%, resulting from a reasonable EBITDA exit of 39.0x.

Airbnb is due to experience unprecedented growth and expanding margins...

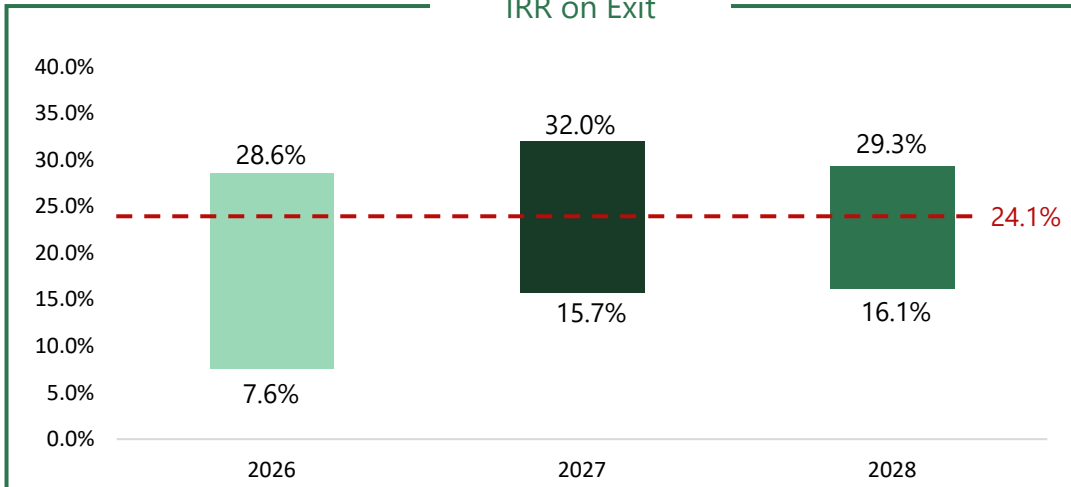


We applied a 39x exit EBITDA multiple:

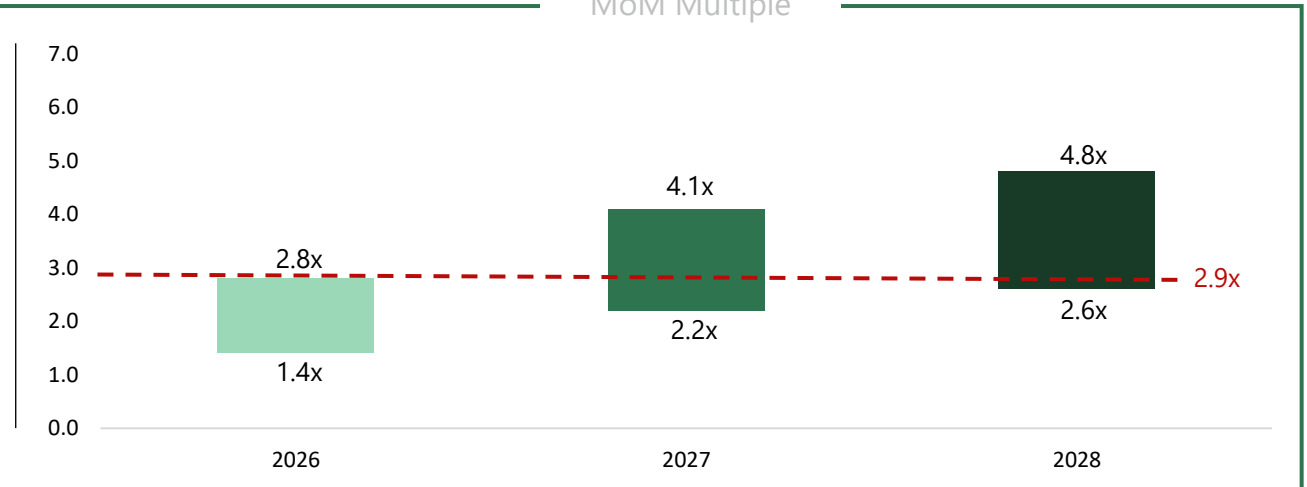
- 1 Comfortably within Airbnb's historical trading range of 32x-36x, and entering at 40.6x, indicating a reasonable range.
- 2 Comparative Valuation indicates that competitors trade at 32x-34x, and with Airbnb offering a much more holistic service, an expansion is justified.
- 3 Growing macroeconomic climate in support of Airbnb, as well as strategic inclusions suggest multiple expansion.



IRR on Exit











MoM Multiple



Risks and Mitigation

We have addressed the underlying risks to Airbnb's growth within the upcoming period

	Risk	Likelihood	Severity	Mitigation
Business Risks	<p>COVID-19 Lingers: Pandemic seems to materially affect Airbnb, and the growing positive sentiment we forecast from hosts does not realise.</p>			<ul style="list-style-type: none"> Unlikely as the data suggests that consumers have positively responded in the aftermath of COVID-19. TDM should constantly monitor the financials of Airbnb over the holding the period, and re-evaluate the exit opportunities.
	<p>Rising competitors: Airbnbs competitors such as Booking.com also respond to the changing consumer preferences, or a new company emerges with greater strategies to capitlise on markets.</p>			<ul style="list-style-type: none"> If a new competitor were to emerge, Airbnb is so far ahead in the strategic space, that it is unlikely they can excessively capture market share. TDM should remain wary of the home rental space, as well as monitor Airbnb's execution of key strategies.
Execution Risks	<p>Unfavourable market movements: Airbnb's market capitalization can move unfavourably in the short term and impact the return on investment we expect.</p>			<ul style="list-style-type: none"> TDM should act swiftly and engage a stockbroker or investment bank to facilitate the transaction. TDM should seek advice on when the ideal time to invest is within the remaining period of 2022, and deploy capital accordingly.
	<p>Portfolio Diversification: The addition of Airbnb to TDM's portfolio could impact the diversification of the portfolio, as it is a relatively large investment (\$250m).</p>			<ul style="list-style-type: none"> TDM can adjust the size of the investment in Airbnb to maximise their diversification benefit. This issue is unlikely as TDM, and TDM has not invested in the rental home industry before, emerging a new sector for their portfolio.

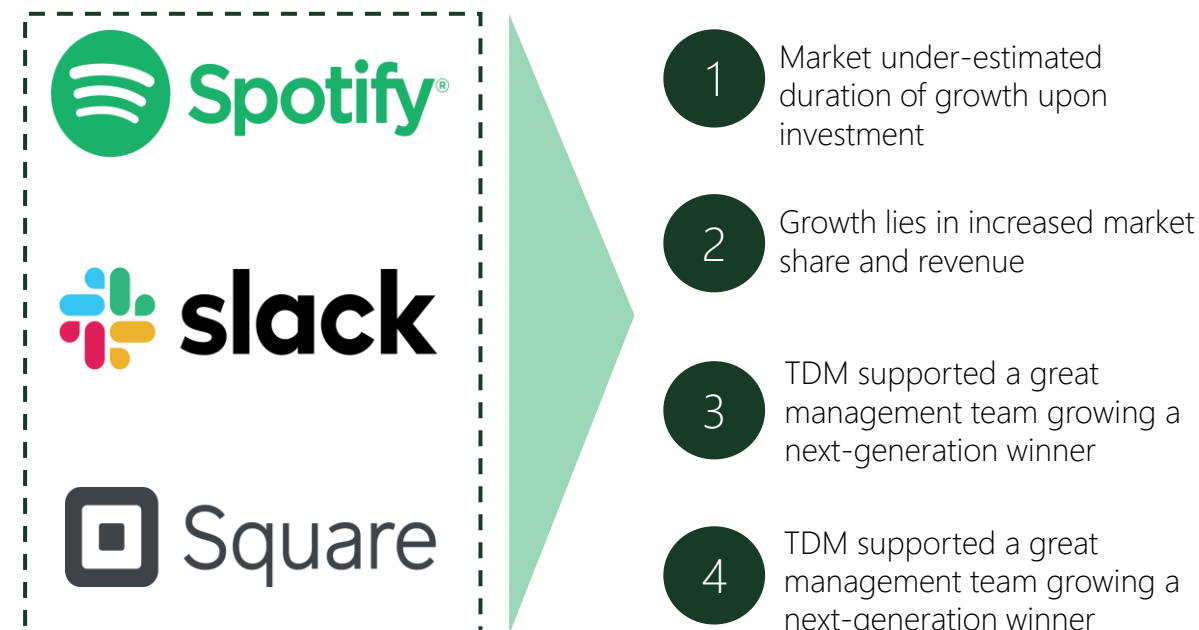
TDM Investment Approach

The equity investment into Airbnb closely aligns with TDM's investment approach, and complements the current portfolio of *Generational Winners*

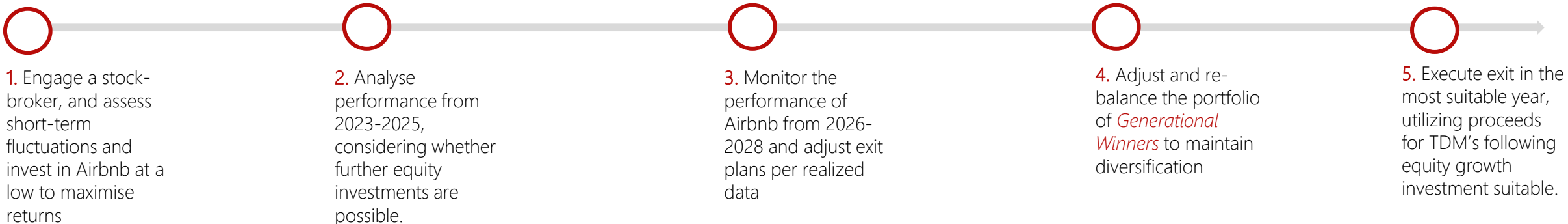
This investment closely aligns with TDM's approach...

Culture	High performance culture driven by inclusivity and innovation, led by experienced management team
Leadership	Key executive stakeholders possess key characteristics akin to strong leadership, centred on growth and expansion
Type of Business	Being industry agnostic, Airbnb fits well into TDM's portfolio, as they constantly strive to broaden their offerings and market position
Growth	CAGR of 20.84% from 2022-2028, reflecting a company ripe with growth and opportunity.
Exit Approach	Flexibility in exit approach, with an exit from 2026-2028 providing sufficient returns above 20%.
Region	International business ensures TDM is working with an enterprise seeking to make a global impact

Airbnb aptly fits within the diversified portfolio of *Generational Winners*...



Factors to consider during holding period



Appendix

Main Deck

- [1. Title Page](#)
- [2. Executive Summary](#)
- [3. Industry Overview](#)
- [4. Airbnb Business Model](#)
- [5. Investment Thesis 1](#)
- [6. Investment Thesis 2](#)
- [7. Investment Thesis 3](#)
- [8. Entry](#)
- [9. Shareholder Structure](#)
- [10. Management and Culture](#)
- [11. Valuations](#)
- [12. Exit](#)
- [13. Risks and Mitigations](#)
- [14. TDM Investment Approach](#)

Appendix

Section 1: General

- [16. Economics of An Airbnb Transaction](#)
- [17. Technology and Digital Transformation](#)
- [18. Airbnb Competitors Part 1](#)
- [19. Airbnb Competitors Part 2](#)
- [20. Airbnb Experiences](#)
- [21. Post-Covid Trend Predictions](#)
- [22. Hybrid Work Models Remote Work](#)
- [23. Impact of Inflation on Airbnb](#)
- [24. Justifying Exit EBITDA Multiples](#)
- [25. Exiting our position against other multiples](#)
- [26. Insider Selling and Buying](#)
- [27. Further Culture Analysis](#)
- [28. Airbnb's Culture – Live and Work Anywhere Initiative](#)
- [29. Shareholder Structure Part 1](#)
- [30. Shareholder Structure Part 2](#)

Appendix

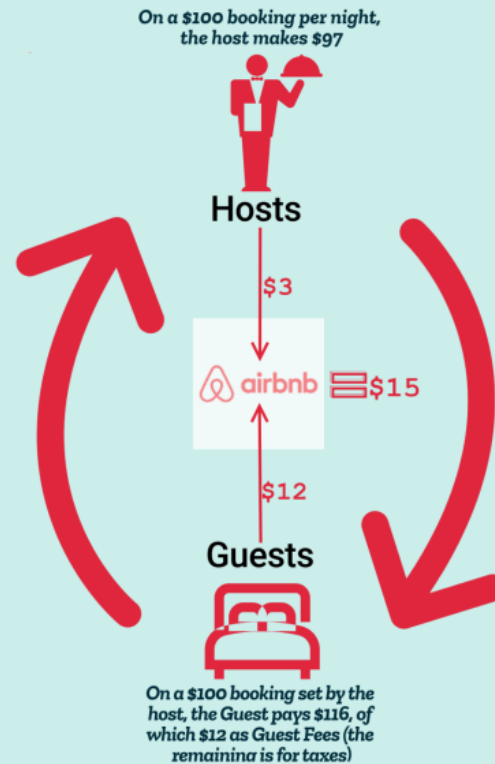
Section 2: Financials

- [31. Research Driving Valuation](#)
- [32. Summary & Returns](#)
- [33. IRR Calculation](#)
- [34. Revenue Schedule – Scenario Analysis](#)
- [35. Expense Schedule - Scenario Analysis](#)
- [36. Balance Sheet Drivers – Part 1](#)
- [37. Balance Sheet Drivers - Part 2](#)
- [38. Applied Assumptions](#)
- [39. Income Statement – Base Case](#)
- [40. Balance Sheet – Base Case](#)
- [41. Cash Flow Statement – Base Case](#)
- [42. DCF](#)
- [43. Equity Research](#)
- [44. Comparable & Precedent Analysis](#)
- [45. Sensitivity Analysis](#)

Economics of An Airbnb Transaction

The Economics Of An Airbnb Transaction

As a peer-to-peer platform, once the transaction between host and guest goes through, Airbnb will collect a fee from both key players. As an example from a \$100 booking per night set by the host, Airbnb might collect \$3 as a hosting fee. While it might increase the price for the guest at \$116 (\$16 above the price set by the host) to collect its guest fees of \$12 and taxes for the remaining amount.



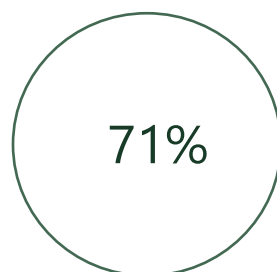
Technology and Digital Transformation in Hospitality Industry

Implementation and continual development of new technology improves retention and revenue through customer satisfaction

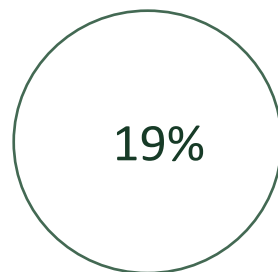
The need for improved digital transformation within the hospitality industry



Increase in online revenue



Reduction in guest complaints



Increase in customer service ratings

High competition shows the need for differentiation within this industry...

81% of travelers want greater digital customer service from hotel brands

Travellers visit an average of 38 websites before making a booking

Airbnb has leveraged technology and digital presence to its advantage....

Screening potential guests and hosts using system with embedded AI capabilities

- "safety of our community is our priority"
- AI capabilities used for background-checking that can detect potentially-disruptive guests or fraudulent hosts
- Scans online sites and social media to verify if users are trustworthy or campitable
- Alert company to users with criminal records, and disruptive traits are identified and factored into a risk scoring system

Website user experience that is personalised and seamless

- Clean, visual, user-friendly, minimalistic and personalised
- Easy navigation, empowered to set communication preferences
- Live updating listings
- Easy-to-browse listing photos
- Saved previous search
- Price range paint points allowing filtering of customer preference

















Airbnb Competitors Part 1

Competitors vs Airbnb Product Analysis

	Booking.Com	TripAdvisor/FlipKey	Expedia	Vrbo
1 Market Share	<p>34.57%</p> <p>Biggest OTA, 411 million views per month and 28 million listings</p>	<p>5.48%</p> <p>830,000 home, hotel, apartment listings for travellers as an OTA</p>	<p>7.31%</p> <p>Larger conglomerate company with Bookabach, Stayz and TravelMob in vacation rental industry</p>	<p>5.26%</p> <p>Biggest competitor - 2,000,000 listings in 200 countries</p> <p>Part of Expedia, exposing listings to 730 million more monthly visitors</p>
2 Product Differences	<p>Primarily used for hotel rooms but competing with vacation rentals using HomeStays</p> <p>Little charm/personality</p>	<p>Listings on TripAdvisor also competing with hotels (vacation rentals small subcategory)</p>	<p>Focused on hotels rather than short-term rentals</p>	<p>Vrbo only offers entire properties for rent (Airbnb offers house-shares)</p>
3 Target Market	<p>67% Market share in Europe</p> <p>Mature aged, families who value convenience/hotels</p>	<p>Targeting global travellers needing assistance with travel services - family, business travellers.</p>	<p>Stayz targeting Australia</p> <p>TravelMob popular in South East Asia</p>	<p>US Focused</p> <p>More families, groups of friends, travellers with higher budgets</p>
4 Value Proposition	<p>With price matches on same room rates, cheapest option for hotel bookings.</p>	<p>Flip Key has the advantage of the combined wisdom of over 500+ million Trip Advisor traveller reviews.</p>	<p>Country-specific travel brand with brand recognition in these areas</p>	<p>Attracts larger and more high-end rental properties</p>

Airbnb Competitors Part 2

Airbnb vs Competitors Analysis

Booking.Com	Portfolio	Booking Traffic	TripAdvisor	Portfolio	Booking Traffic
<ul style="list-style-type: none"> ✓ More professionally managed properties. ✓ Addition of "Homestay" properties for genuine home-hosted experiences. ✓ Larger market share 			<ul style="list-style-type: none"> ✓ Extensive database for reviews and travel advise ✓ Flipkey, TripAdvisor subsidiary, very similar business model to Airbnb with similar commission and booking fee structure. 		
<ul style="list-style-type: none"> ✗ More complicated set-up system ✗ Little charm or personality. ✗ No in-built host/guest review system and no veto on potential guests 	Cancellations	Ease of Listing Property	<ul style="list-style-type: none"> ✗ Low conversion of booking rates vs site visits. 	Cancellations	Ease of Listing Property
					
Vrbo	Portfolio	Booking Traffic	Expedia	Portfolio	Booking Traffic
<ul style="list-style-type: none"> ✓ Many listings that aren't available on Airbnb 			<ul style="list-style-type: none"> ✓ Larger conglomerate company with Bookabach, Stayz and TravelMob in vacation rental industry ✓ Country-specific travel brand with brand recognition in these areas 		
<ul style="list-style-type: none"> ✗ Limited portfolio ✗ User-unfriendly cancellation policies and customer support 	Cancellations	Ease of Listing Property	<ul style="list-style-type: none"> ✗ Expedia known to play "catch up" with Airbnb, only integrating HomeAway vacation rental service in 2016 	Cancellations	Ease of Listing Property
					

Airbnb Experiences

But the world has changed — for sure — and travel patterns have been altered as well, with new demand for experiences
- Dennis Schaal

Tourism and activities a flourishing
\$150 billion/year industry

80% of consumers more likely to
engage a brand offering
personalized experiences

An experience can range from cooking classes to outdoor activities, going beyond a "typical tour" that guests could get from any agency.

\$1 billion

second quarter 2019

20%
commission paid by Hosts

\$25-150

per experience

10% users

add experience on top of
booking

Airbnb Experiences

Plan a trip with help from local Hosts around the world

Show (11)



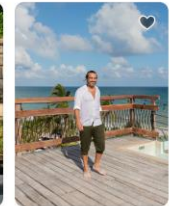
★ 4.99 (151) · United States
Plan The Perfect New York Vacation
From \$30 AUD / person



★ 5.0 (19) · Spain
Design your trip to Barcelona with Gemma
From \$57 AUD / person



★ 4.97 (58) · South Korea
Craft a custom trip to Korea with Jay
From \$65 AUD / person



★ 4.57 (7) · Mexico
Live Tulum like a local
From \$13 AUD / person

VS

Booking.com Experiences

Top things to do in Amsterdam

Attractions, tours, and activities in Amsterdam



Museum of Bags and Purses
Housed in a 17th-century canal house, this museum features a collection of over 4,000 bags, purses, trunk...

Book now



Cheese Tasting Experience
A cheese tasting lesson at Henri Wilgij's Cheese & More store, with traditional Dutch cheeses including...

Book now



MacBike Rental
Rent a bike to get around the city like a local. Choose from different models and decide how long you want...

Book now

Post-Covid Trend Predictions

Domestic Travel to remain robust

- Domestic travel and digital nomads will continue to be an important driver in the short-term rental market, as will outdoor accommodation such as camping, caravanning, and glamping.
- Family travel with pets will be increasingly common. If you haven't already, now is the time to identify your guest avatar for 2021 and focus your efforts on appealing to that demographic."

Damian Sheridan,
Founder of The Book Direct Network

Working From Home Flexibility

- 2020 saw the "digital nomad" trend to accelerate and shift forward by at least 5 years. I expect this trend to continue in 2021, as an increasing number of workers will give up their urban homes to live in short-term rental properties in smaller cities for one to three months at a time.
- These travellers will be looking for fast internet and comfortable workspaces, and there's a huge opportunity for hosts to cater to this group."

Jasper Ribbers
Author of Get Paid For Your Pad

Diversification

- Diversification and listing with multiple OTAs will be important for a stable occupancy rate for hosts
- According to research by AirDNA, hosts who list on multiple channels earn twice as much as those who simply stick to one OTA.
- Hosts will list on multiple channels like Booking.com, Expedia, Vrbo, and/or TripAdvisor and expand reach

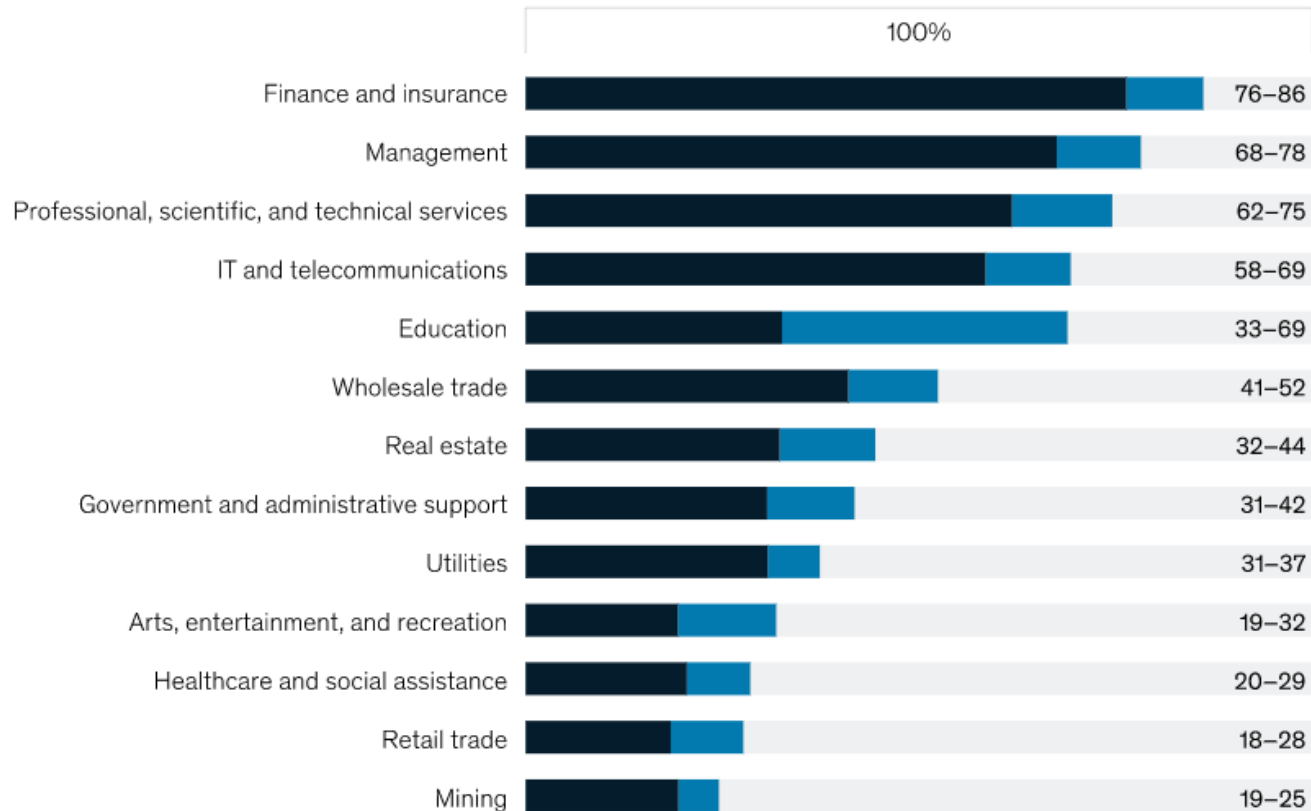
Hybrid Work Models Remote Work - McKinsey

Hybrid models of work are likely to persist in the wake of the pandemic, mostly for a highly educated, well-paid minority of the workforce

Finance, management, professional services and information sectors have the highest potential for remote work

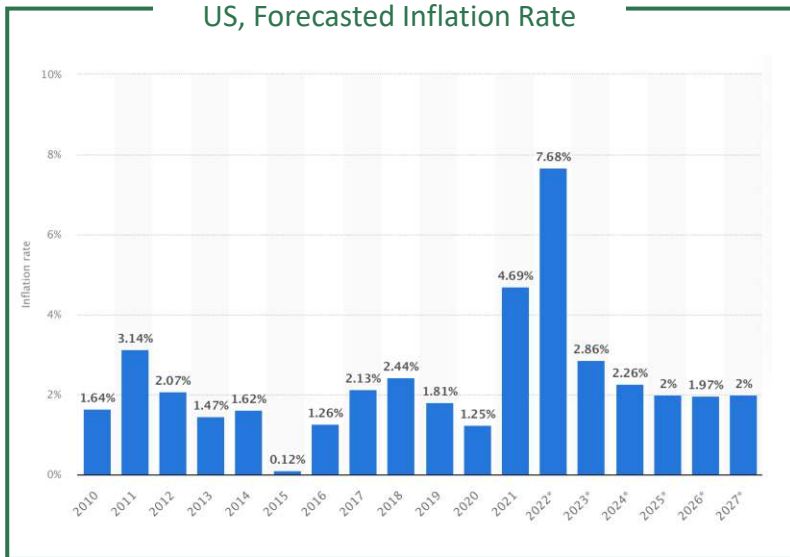
Potential share of time spent working remotely by sector in the United States, %

■ Effective potential (no productivity loss) ■ Theoretical maximum



- Finance and insurance has the highest potential, with three-quarters of time spent on activities that can be done remotely without a loss of productivity.
- Management, business services, and information technology have the next highest potential, all with more than half of employee time spent on activities that could effectively be done remotely
- These sectors are characterized by a high share of workers with college degrees or higher.

Impact of Inflation on Airbnb



Impact on Hosts

- Certain countries experiencing an increase in inflation also saw an increase in the number of new Airbnb Hosts in Q2 2022.
- New Hosts alone earned a combined total of over \$1.8B in 2021, upon more than 30% from 2019 – with a typical Host in the US earning over \$13,800 in 2021, an increase of 85% over 2019.
- In the US, where inflation increased by 9.1% in June 2022, the number of Hosts grew by more than 50% in Q2 2022, compared to Q2 2021.
- Countries also experiencing an increase from 9%-11% include Brazil, Spain, Ireland, Italy, Canada, Mexico and Germany.



Impact on Guests

- The 6.1% discretionary spending that we have implemented into our model can be misleading if the US inflation rate were to increase rapidly over the holding period.
- However, the graph on the left indicates that inflation is due to drop down to the ~2% range by 2023, reaching similar levels pre-COVID.
- We expect discretionary spending, and specifically, the attraction for Guests towards Airbnb to pick up rapidly over the holding period.
- We believe that with the the rise in net Hosts from the onset of inflation in 2022, and the rise in guests from 2023 onwards, Airbnb is perfectly positioned to facilitate the booming market.

Justifying Exit EBITDA Multiple

We believe there are 3 pillars which justify our exit EBITDA multiple of 39.0x

Airbnb Historical Trading Multiples

	Low	Mid	High
Benchmark EV / LTM EBITDA	-12.3x	-5.1x	58.6x
Historical EV / LTM EBITDA	-163.9x	-101.9x	-40.0x
Selected EV / LTM EBITDA	32.5x	34.2x	35.9x
(x) LTM EBITDA	1,352	1,352	1,352
(=) Implied Enterprise Value	43,905	46,215	48,526
(-) Non-shareholder Claims *	7,600	7,600	7,600
(=) Equity Value	51,504	53,815	56,126
(/) Shares Outstanding	639.5	639.5	639.5
Implied Value Range	80.54	84.15	87.77
FX Rate: USD/USD	1.0	1.0	1.0
Implied Value Range (Trading Cur)	80.54	84.15	87.77

Comparable Trading Multiples

Company	EV/EBITDA	
	LTM	NTM
Expedia	30.20x	28.55x
Trivago	22.00x	19.47x
Tripadvisor	44.80x	41.99x
Booking.com	38.30x	34.47x
<u>Trip.com</u>	<u>14.20x</u>	<u>11.84x</u>
	29.90x	27.26x
	34.25x	31.51x

Expansion of Service Offerings

- Growth Initiatives**
Expansion through experiences, categories, “live and work” initiatives which are expanding their market capture
- Adapting to changing preferences**
Airbnb has recognized the change in consumer preferences towards experience driven services.
- Defensible Business Model**
Business model is able to last treacherous macroeconomic conditions (e.g. COVID-19).
- Able to keep low costs**
Costs driven by R&D and SG&A can be maintained at a relatively low level as it is people driven, expanding margins.

As Airbnb has historically traded between 32.5x and 35.9x, we believe there is scope for expansion. Since going public in 2018, Airbnb has traded during the bulk of operational disruptions due to COVID-19, and so as that subsides, it is likely that Airbnb will trade at a higher multiple

Comparable companies indicate an EBITDA multiple of 31.51x-34.25x. Many of these companies lack the innovation and broad service offering like Airbnb.

Airbnb is the first to react, with a growing business model that captures a market their competitors are yet to attend to. We expect Airbnb to trade at a slightly higher multiple, and with an entry EBITDA of 40.6x, a 39.0x exit is justified.

Exiting our position against other multiples

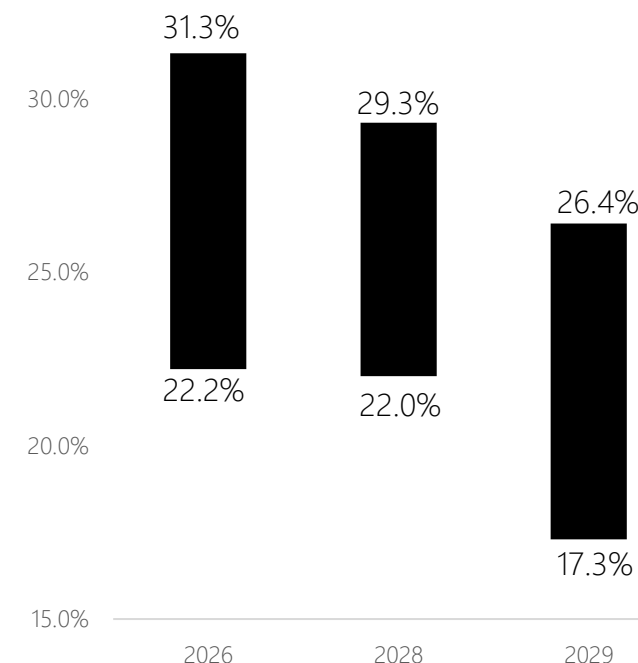
We considered other exit multiples but believed an EBITDA multiple would be most appropriate.

Why we chose EBITDA exit multiple

- With the onset of COVID-19 impacting business performance, all financial metrics of Airbnb had eroded.
- We believe that the EBITDA of Airbnb is the most accurate reflection of the company's performance – it encompasses the R&D and SG&A costs which reach the crux of the revenue of the company.
- Applying a Revenue multiple would not factor this in and would give a general valuation as all companies in the home rental industry will appreciate in value through that metric.

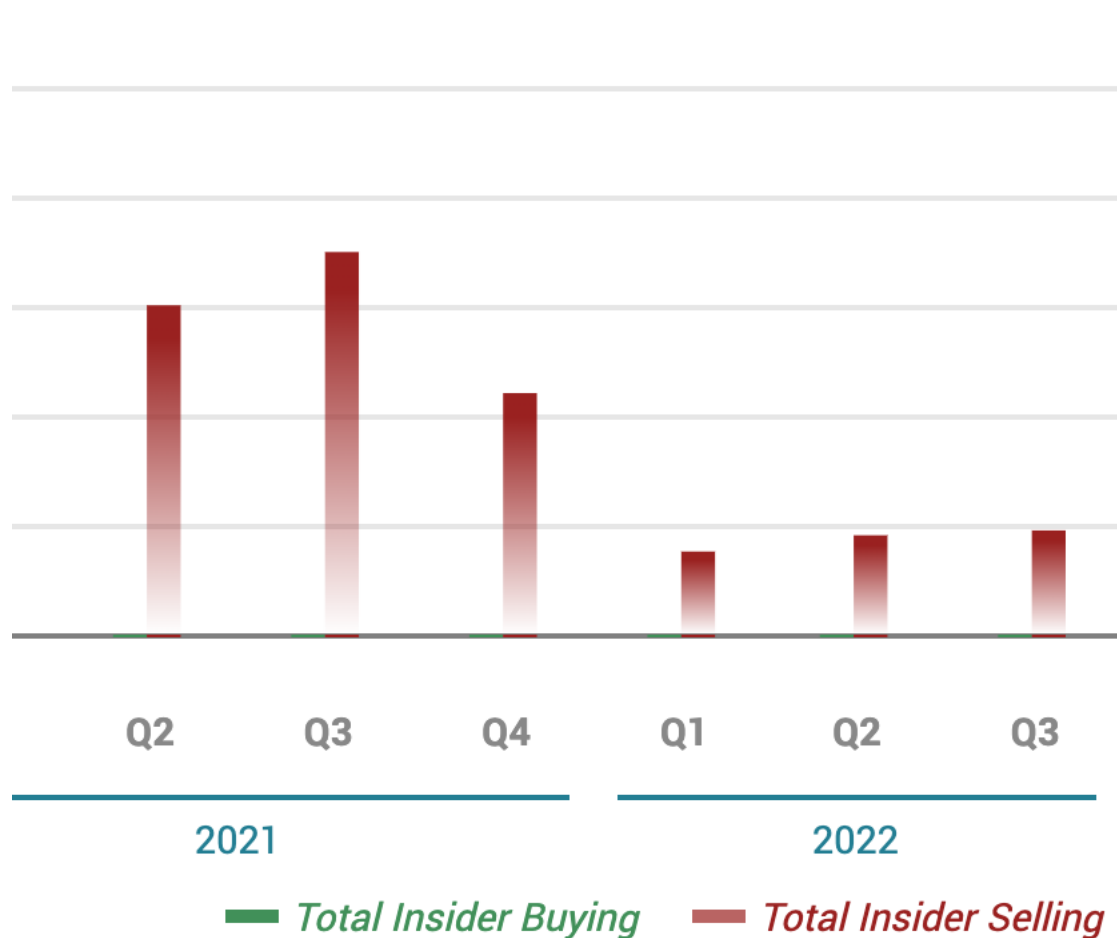
EV/Revenue Comparables

Company	EV/Revenue	
	LTM	NTM
Expedia	9.40x	9.13x
Trivago	8.40x	7.46x
Tripadvisor	7.70x	4.15x
Booking.com	9.30x	8.88x
Trip.com	7.10x	6.59x
	8.38x	7.24x
	8.40x	7.46x
	7.70x	6.59x
	9.30x	8.88x
	8.86x	7.46x



P/E Ratio was not considered as the US equity market is undergoing major fluctuations throughout 2022, and we believed the trading share prices for all companies are not an accurate reflection of their enterprise value.

Insider Selling and Buying

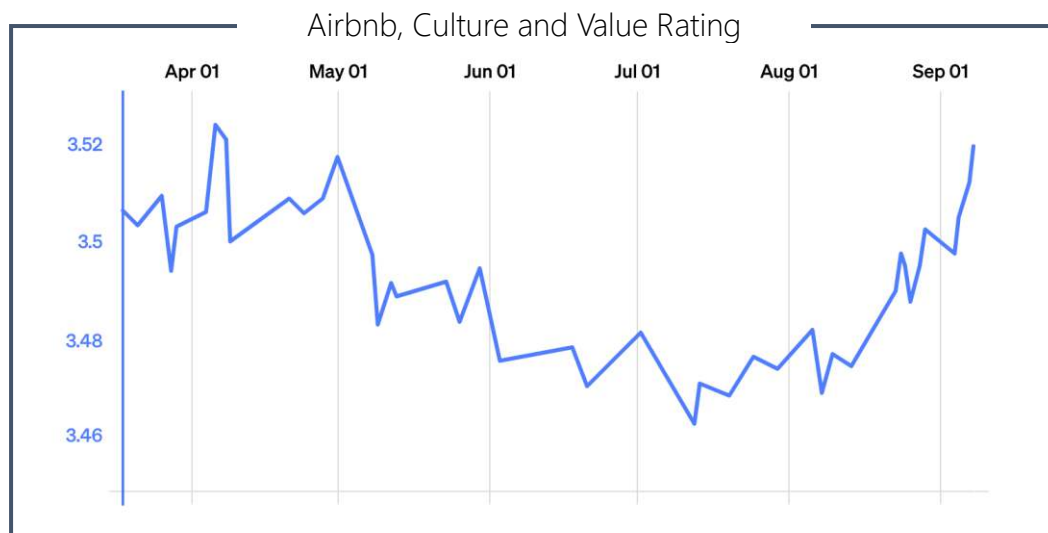
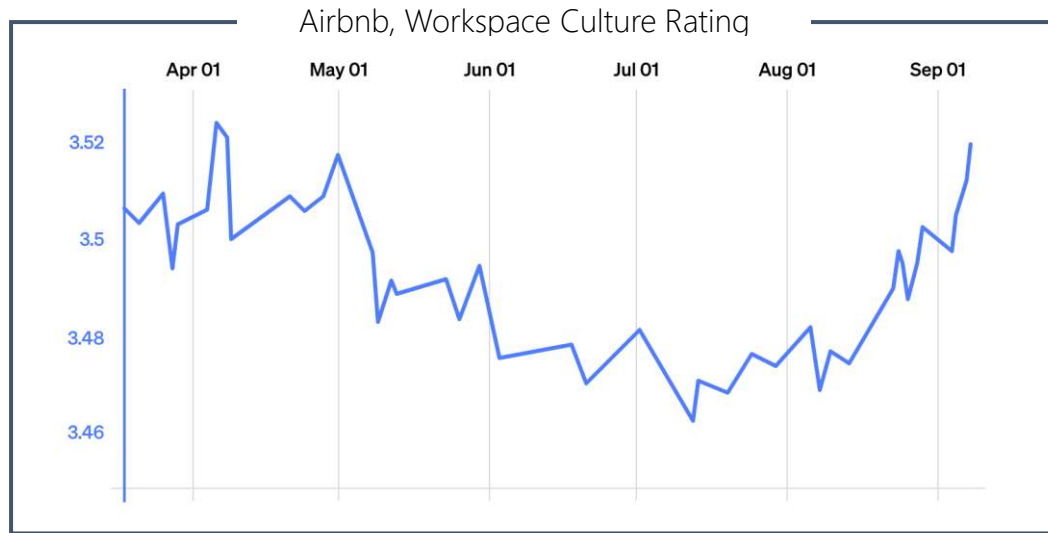


Entity	Title	Shares held after Transaction
Aristotle Balogh	CTO	240,981 shares amounting to ~\$25,000,000
Belinda Johnson	Director	5,920 shares amounting to ~\$600,000
Joseph Gebbia	Director	1,750,101 shares amounting to ~\$125,000,000
Dave Stephenson	CFO	174,148 shares amounting to ~\$20,000,000
Jeffrey Jordan	Director	282,646 shares amounting to ~\$30,000,000
Catherine C Powell	Insider	114,107 shares amounting to ~\$14,000,000

- Many Directors and Executives still have substantial holdings in Airbnb, reflecting the positive outlook on the future of the company.
- Many of the sell-offs were orchestrated, and does not equate to the internalized view of the company.
- TDM should continue to monitor the insider trading of Airbnb staff to gain a clearer picture.

Further Culture Analysis

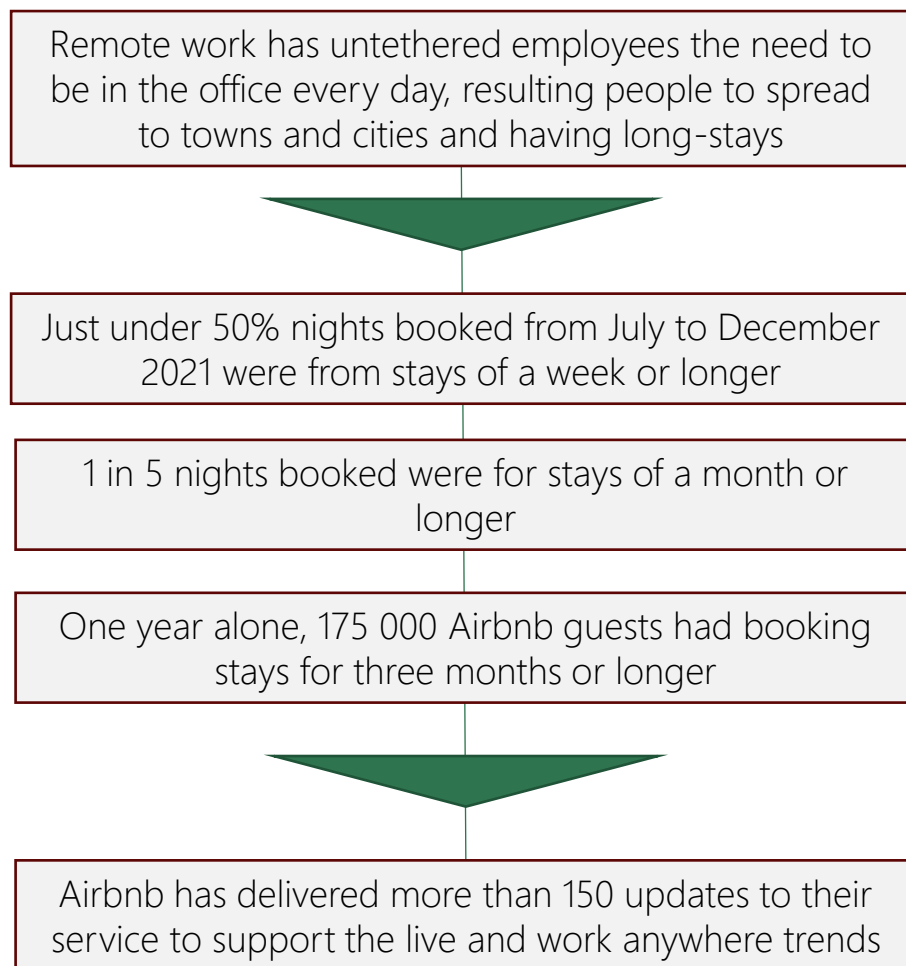
All information extracted from Open Dataset, after conducting a large sample review of Airbnb staff



Airbnb's Culture - Live and Work Anywhere Initiative

Company culture has recently been heightened with flexible working arrangements, combining digital presence and physical interaction driving the 'live and work anywhere' design.

Airbnb has recognized changing patterns over the past 2 years



Live and work anywhere initiative design includes 5 key features...

1

Work from home or the office

Flexibility to choose where it is most productive

2

Single pay tiers by country for salary and equity

Moving to anywhere in the country will not change compensation

3

Flexibility to travel and work around the world

Partnering with local governments to make it easier to travel and work around the world

4

In person meet-ups for team gatherings, off-sites and social events

Gather in person every quarter for about a week at a time to prioritize meaningful in-person gatherings throughout the year

5

Continue to work in a highly coordinated way

Ample structure and coordinate with a strong backbone of how the company will operate eg. Calendar is set around two major product releases each year – May and November releases.

Shareholder Structure – Part 1

Name	Hold	Shares	Value	Type
Vanguard Group Inc	3.11%	20,197,964	\$2.06B	Institution
Fmr LLC	2.94%	19,058,455	\$1.94B	Institution
Capital Research Global Investors	2.57%	16,671,723	\$1.70B	Institution
Blackrock Inc	2.39%	15,494,833	\$1.58B	Institution
Jennison Associates LLC	2.20%	14,280,645	\$1.45B	Institution
Brian Chesky	2.13%	13,819,722	\$1.41B	Insider
Polen Capital Management LLC	1.97%	12,811,398	\$1.30B	Institution
Wellington Management Group LLP	1.61%	10,419,421	\$1.06B	Institution
Capital World Investors	1.19%	7,734,279	\$786.96M	Institution
State Street Corp	1.13%	7,315,127	\$744.31M	Institution

Shareholder Structure – Part 2

Concerns	General Public	Institutions	Individual Insiders
Sentiment	<ul style="list-style-type: none"> Large investment holdings indicate that retail investors feel quite positive regarding the future if Airbnb. 	<ul style="list-style-type: none"> Institutional investors measure performance against benchmark, and so the large holdings is another good indicator of the future of Airbnb. 	<ul style="list-style-type: none"> It is a concern that Insider Shareholding has dropped since IPO. Many sell-offs were due to 10b5-10, however, TDM should further analyse the reason behind the other sell-offs.
Future Holding	<ul style="list-style-type: none"> Likely to remain stable as Airbnb's share price is at an all time low, and investors are likely waiting for a rebound before selling. 	<ul style="list-style-type: none"> Expect to increase as many institutional investors see a high growth strategy (equity research) in Airbnb. 	<ul style="list-style-type: none"> Will need further information on whether other insiders will have mandated sell-offs under 10b5-1. Sentiment will adjust with Brian's holdings.
Shareholder Power	<ul style="list-style-type: none"> Stable/declining pressure on management to enforce strategies and operational improvements. 	<ul style="list-style-type: none"> Rising pressure on management to enforce strategies and operational improvements. 	<ul style="list-style-type: none"> Collision in roles means that management are aligned with the Board's perspective.
Impact of TDM's Entry	<p><i>TDM will enter Airbnb as an Institutional shareholder, joining the 'growing pack'. We see this as a positive sign as we sit on the Board of investors with aligned views and capital, holding the management accountable.</i></p>		

Research Driving Valuation

PASSENGER NUMBERS - SHARE OF 2019	2021	2022	2023	2024	2025
Industry-wide	47%	83%	114%	126%	140%
International	27%	69%	102%	119%	137%
Domestic	61%	93%	103%	111%	118%
Asia Pacific	40%	68%	84%	97%	109%
Europe	40%	86%	96%	105%	111%
North America	56%	94%	102%	107%	112%
Africa	46%	76%	85%	93%	101%
Middle East	42%	81%	90%	98%	105%
South America	51%	88%	97%	103%	108%
Central America	72%	96%	102%	109%	115%
Caribbean	44%	72%	82%	92%	101%

Source: IATA/Tourism Economics Air Passenger Forecast, March 2022

All groups CPI, quarterly and annual movement (%)



Twenty-four percent of Airbnb stays are 28 days or more with aims to increase this to 30% by 2030. And 50% of nights booked were from stays of at least one week. White collar workers going stir crazy in their urban apartments were among those who ditched leases and went on working road trips, finding ways to spend time outdoors while still being on the clock.

"As people are more flexible about where they travel, when they travel, I think that what it really means is that they're less tethered to any one location," he said. "They can work, live, and travel kind of anywhere."

Summary & Returns

Summary & Returns:		Historical					Projected					
		18	19	20	21	22	23	24	25	26	27	28
Financial Statistics and Credit Stats and Ratios:												
Year # Following Investment:	#						1	2	3	4	5	6
Revenue:	\$ M	\$ 4,915.1	\$ 6,996.3	\$ 3,630.9	\$ 7,077.4	\$ 9,896.7	\$ 12,213.2	\$ 14,643.2	\$ 16,368.6	\$ 19,696.6	\$ 23,009.6	\$ 27,235.4
Growth Rate:	%		42.3%	(48.1%)	94.9%	39.8%	23.4%	19.9%	11.8%	20.3%	16.8%	18.4%
EBITDA:	\$ M	344.9	(187.5)	(5,986.2)	119.7	1,698.5	1,491.9	1,788.7	2,751.5	3,311.0	4,619.6	5,740.3
Growth Rate:	%		(154.4%)	(3292.8%)	(102.0%)	1318.8%	(12.2%)	19.9%	53.8%	20.3%	39.5%	24.3%
Margin:	%	7.0%	(2.7%)	(164.9%)	1.7%	17.2%	12.2%	12.2%	16.8%	16.8%	20.1%	21.1%
Interest Expense:	\$ M	35.0	14.3	249.4	80.4	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Cash Interest Expense:	\$ M	35.0	14.3	249.4	80.4	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Total Debt:	\$ M	4,590.2	5,193.7	2,997.5	3,326.5	3,016.5	2,706.5	2,396.5	2,086.5	1,776.5	1,466.5	1,156.5
EBITDA / Interest:	x	9.9 x	(13.1 x)	(24.0 x)	1.5 x	45.9 x	40.3 x	48.3 x	74.4 x	89.5 x	124.9 x	155.1 x
Total Debt / EBITDA:	x	13.3 x	(27.7 x)	(0.5 x)	27.8 x	1.8 x	1.8 x	1.3 x	0.8 x	0.5 x	0.3 x	0.2 x

Assumptions

- Debt was not taken on throughout the holding period as Airbnb was able to amass a healthy cash balance.
- Interest Expense was kept in proportion to debt in historical years.
- The Financials for C22 were extrapolated from the realized data, into the rest of the year. Did not consider cyclical consumer effects on Airbnb's revenue.

Insights

- Revenue picks up at the back-end of the holding period (2026-2028) with a healthy growth rate hovering between 15%-20%.
- Growing EBITDA margin from 17%-21% in 2028, reflecting operational efficiencies. Bull case sees greater returns.

IRR Calculation

Money-on-Money (MoM) Multiples and Internal Rate of Return (IRR):

Exit Year EBITDA:	\$ M	3,214.6	4,452.8	5,493.5
(x) Assumed EBITDA Exit Multiple:	x	35.0 x	39.0 x	37.0 x
Exit Enterprise Value:	\$ M	112,512.7	173,659.5	203,258.1
(-) Net Debt:	\$ M	1,776.5	1,466.5	1,156.5
Exit Equity Value:	\$ M	128,492.7	192,454.3	225,540.2
Investor Proceeds:	x	589.7	883.2	1,035.1
MoM Multiple:	x	2.0 x	2.9 x	3.5 x
Internal Rate of Return (IRR):	%	18.4%	24.1%	22.9%

Revenue Schedule – Scenario Analysis

Revenue Drivers	Historical					Projected						
	18	19	20	21	22	23	24	25	26	27	28	
Total Booking and Experiences												
<u>Common Assumptions</u>												
Total Inte	Bull						1736	1918	1918	2132	2299	2512
	Base	1300	1450	350	500	1015	1653	1827	1827	2030	2190	2393
	Bear						1570	1736	1736	1929	2080	2273
Total Stays and Experiences Booked		250.3	326.9	193.2	320	398	657.8	737.8	748.8	844.5	924.6	1,025.7
Total Market Capture of Total International Travels	3%	19%	23%	55%	64%	39%	40%	42%	43%	44%	45%	47%
<u>Short Term Stays</u>												
% Short-Term Stays and Experiences						76%	75.6%	75.3%	74.9%	74.5%	74.2%	73.8%
# Short-Term Stays and Experiences						302	497.5	555.4	561.0	629.5	685.8	756.9
Short-Term	Bull						31.8%	32.1%	32.4%	32.7%	33.0%	33.6%
	Base	1%					29.8%	30.1%	30.4%	30.7%	31.0%	31.6%
	Bear						27.8%	28.1%	28.4%	28.7%	29.0%	29.6%
<u>Long Term Stays</u>												
% Long-Term Stays and Experiences						24%	24.4%	24.7%	25.1%	25.5%	25.8%	26.2%
# Long-Term Stays and Experiences						96	160.2	182.4	187.9	215.0	238.9	268.8
Long-Term	Bull						11.41%	11.69%	11.98%	12.28%	12.59%	12.91%
	Base	3%					9.4%	9.7%	10.0%	10.3%	10.6%	10.9%
	Bear						7.4%	7.7%	8.0%	8.3%	8.6%	8.9%
<u>Transaction Fee</u>												
Europe, Middle East and Africa	27.61%					98.41						
North America	55.23%					174.43						
Asia Pacific	10.04%					85.85						
Latin America	7.11%					75.74						
Gross Booking Value per Night and Experience					6.10%	142.5	150.9	159.8	169.2	179.3	189.9	201.2
						137.5	145.9	154.8	164.2	174.3	184.9	196.2
						132.5	140.9	149.8	159.2	169.3	179.9	191.2
Gross Total Booking Value						54,730.2	95,968.8	114,214.8	122,992.9	147,172.4	170,960.6	201,212.9
Average Service Fee						12%	12%	12%	12%	12%	12%	12%
Implied Service Fee Revenue						6,567.6	11,516.3	13,705.8	14,759.1	17,660.7	20,515.3	24,145.6

Balance Sheet Drivers – Part 2

Reinvestment Rate

Capital Expenditure	100.2	90.6	53.6	(24.5)	(354.08)	625.71	975.32	862.54	1,248.02	960.12	1,736.80
Less: Depreciation & Amortisation	110.4	164.3	182.8	233.8	153.8	291.7	286.9	263.6	226.1	263.7	311.5
Net CAPEX	(10.16)	(73.66)	(129.25)	(258.34)	(507.88)	333.98	688.43	598.96	1,021.90	696.46	1,425.29
Change in NWC	180	(632.74)	(980.82)	130.64	946.51	399.66	(161.98)	556.93	(128.08)	486.72	(50.55)
Change in NWC	180	(632.74)	(980.82)	130.64	946.51	187.11	(174.05)	171.65	(264.86)	333.73	(154.05)
Net Income	113.9	(744.0)	(6,277.2)	(263.6)	1,462.1	1,737.0	2,057.5	3,082.4	3,785.2	5,151.0	6,356.2
Reinvestment Rate	149%	95%	18%	48%	30%	30%	25%	25%	20%	20%	20%

Debt Schedule

Debt											
Opening Balance						3,239.1	2,939.1	2,639.1	2,339.1	2,039.1	1,739.1
Debt issuance/paydown						300.0	300.0	300.0	300.0	300.0	300.0
Closing Balance					3,239.1	2,939.1	2,639.1	2,339.1	2,039.1	1,739.1	1,439.1

Retained Earnings Schedule

Retained Earnings											
Opening Balance						(8,377.0)	(6,641.8)	(4,586.3)	(1,507.0)	2,274.5	7,420.3
Net Income						1,737.0	2,057.5	3,082.4	3,785.2	5,151.0	6,356.2
Exchange Rate Effect						1.7	2.1	3.1	3.8	5.2	6.4
Dividends						-	-	-	-	-	1.0
Closing Balance						(6,641.8)	(4,586.3)	(1,507.0)	2,274.5	7,420.3	13,769.1

PPE Schedule

PPE											
Opening Balance	449.7	439.5	977.1	847.9	589.5	81.7	415.6	1,104.1	1,703.0	2,724.9	3,421.4
CAPEX	100.2	90.6	53.6	(24.5)	(354.1)	625.7	975.3	862.5	1,248.0	960.1	1,736.8
Other Adjustments	-	611.3									
Depreciation	110.4	164.3	182.8	233.8	153.8	291.7	286.9	263.6	226.1	263.7	311.5
Closing Balance	439.5	977.1	847.9	589.5	81.7	415.6	1,104.1	1,703.0	2,724.9	3,421.4	4,846.7

Applied Assumptions

Applied Assumptions	Historical					Projected					
	18	19	20	21	22	23	24	25	26	27	28
Income Statement											
Revenue						REFER TO REVENUE SCHEDULE					
Total International Travellers						1653	1827	1827	2030	2189.5	2392.5
Short-Term Travel Market Capture of Total International Travellers						30.4%	31.0%	31.6%	32.3%	32.9%	33.6%
Long-Term Travel Market Capture of Total International Travellers						9.7%	10.0%	10.3%	10.6%	10.9%	11.2%
Gross Booking Value per Night and Experience						145.9	154.8	169.2	179.3	189.9	201.2
# Short-Term Nights and Experiences Booked						502.5	566.5	577.8	654.8	720.4	802.9
# Long-Term Nights and Experiences Booked						160.2	182.4	187.9	215.0	238.9	268.8
Gross Total Booking Value						96,687.5	115,925.7	129,585.1	155,931.3	182,159.6	215,613.3
Average Service Fee						12%	12%	12%	12%	12%	12%
Implied Service Fee Revenue						11,602.5	13,911.1	15,550.2	18,711.8	21,859.1	25,873.6
Cost of Revenue & Standalone Revenue						21.8%	21.8%	20.8%	20.8%	19.8%	18.8%
SG&A of Revenue & Standalone Revenue						37.8%	37.8%	35.8%	35.8%	35.0%	35.0%
R&D of Revenue & Standalone Revenue						26.9%	26.9%	25.4%	25.4%	24.0%	24.0%
Depreciation & Amortisation of PPE						2.0%	1.7%	1.4%	1.0%	1.0%	1.0%
Tax Rate						15%	15%	15%	15%	15%	15%

Income Statement – Base Case

Income Statement		Historical					Projected					
		18	19	20	21	22	23	24	25	26	27	28
Service Fee Revenue	95%	4,646.5	6,568.9	4,661.7	7,583.8	9,564.8	11,602.50	13,911.09	15,550.21	18,711.75	21,859.15	25,873.59
Other Revenue	4%	195.6	276.6	196.3	319.3	402.7	488.53	585.73	654.75	787.86	920.39	1,089.41
Other non-operating income	1%	72.9	150.8	(1,227.1)	(825.7)	(70.8)	122.13	146.43	163.69	196.97	230.10	272.35
Total Revenue		4,915.1	6,996.3	3,630.9	7,077.4	9,896.7	12,213.2	14,643.2	16,368.6	19,696.6	23,009.6	27,235.4
COGS		1,046.8	1,557.2	1,089.7	1,306.1	2,769.0	2,659.77	3,188.99	3,401.06	4,092.54	4,550.82	5,114.23
Gross Income		3,868.2	5,439.1	2,541.2	5,771.3	7,127.7	9,553.4	11,454.3	12,967.6	15,604.0	18,458.8	22,121.1
SG&A Expenses		2,225.3	3,545.5	5,177.8	3,423.4	3,010.0	4,621.98	5,541.63	5,859.97	7,051.38	8,053.37	9,532.38
R&D		1,298.1	2,068.2	3,020.4	1,997.0	2,309.0	3,282.87	3,936.08	4,157.63	5,002.93	5,522.31	6,536.49
Other Expenses		-	12.8	329.2	231.2	110.2	156.68	187.85	198.43	238.77	263.56	311.96
EBITDA		344.9	(187.5)	(5,986.2)	119.7	1,698.5	1,491.85	1,788.69	2,751.55	3,310.97	4,619.57	5,740.31
Depreciation & Amortisation		110.4	164.3	182.8	233.8	153.8	244.3	248.9	229.2	197.0	230.1	272.4
EBIT		234.5	(351.8)	(6,169.1)	(114.1)	1,544.7	1,247.59	1,539.76	2,522.38	3,114.00	4,389.47	5,467.95
Interest Expenses		35.0	14.3	249.4	80.4	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Tax		85.6	377.9	(141.2)	69.0	45.6	181.59	225.41	372.81	461.55	652.87	814.64
Net Income		113.9	(744.0)	(6,277.2)	(263.6)	1,462.1	1,029.0	1,277.3	2,112.6	2,615.5	3,699.6	4,616.3
Basic Shares Outstanding		592.2	592.2	599.2	615.9	610.4	610.4	610.4	610.4	610.4	610.4	610.4
Total Shares Outstanding		592.2	592.2	599.2	633.5	614.4	620.0	630.0	640.0	650.0	660.0	670.0
EPS (Recurring)		0.2	(1.3)	(10.5)	(0.4)	2.4	1.7	2.1	3.5	4.3	6.1	7.6

Balance Sheet – Base Case

Balance Sheet	Historical					Projected					
	18	19	20	21	22	23	24	25	26	27	28
Cash	3,041.0	3,049.8	6,815.7	8,733.1	9,396.6	11,240.4	12,382.0	15,195.8	17,910.5	20,520.4	23,871.7
Short Term Investments	1,688.1	1,509.0	1,180.2	3,101.6	3,101.6	3,101.6	3,101.6	3,101.6	3,101.6	3,101.6	3,101.6
Accounts Receivable	114.7	184.2	245.9	196.0	255.2	314.9	377.6	422.1	507.9	593.4	702.3
Other Current Assets	3,500.7	4,776.4	2,982.6	5,373.2	5,443.2	6,717.2	8,053.8	9,002.8	10,833.1	12,655.3	14,979.4
Total Current Assets	8,344.5	9,519.4	11,224.4	17,404.0	18,196.6	21,374.2	23,915.1	27,722.3	32,353.2	36,870.7	42,655.1
PPE	439.5	977.1	847.9	589.5	81.7	203.2	696.6	1,053.1	1,841.1	2,247.3	3,324.6
Long Term Investments	-	18.5	14.9	117.5	167.5	217.5	267.5	317.5	367.5	417.5	467.5
Intangible Assts	452.6	1,074.0	948.2	969.5	969.5	969.5	969.5	969.5	969.5	969.5	969.5
Other Assets	157.0	417.9	230.3	141.8	141.8	141.8	141.8	141.8	141.8	141.8	141.8
Total Assets	9,393.6	12,007.0	13,265.6	19,222.4	19,557.2	22,906.3	25,990.6	30,204.4	35,673.2	40,646.9	47,558.6
ST Debt & Current Portion LT	-	54.1	86.3	87.3	77.31	67.31	57.31	47.31	37.31	27.31	17.31
Accounts Payables	100.3	215.4	103.5	162.8	146.19	217.07	260.26	275.08	331.01	372.64	441.08
Income Tax Payable	537.6	668.5	458.2	711.8	711.81	711.81	711.81	711.81	711.81	711.81	711.81
Other Current Liabilities	4,668.9	6,507.4	6,012.7	7,784.8	6,984.00	8,061.53	9,665.56	10,216.04	12,293.08	13,839.24	16,380.83
Total Current Liabilities	5,306.8	7,445.4	6,660.8	8,746.7	7,919.3	9,057.7	10,694.9	11,250.2	13,373.2	14,951.0	17,551.0
Long Term Debt	4,590.2	5,139.6	2,911.3	3,239.1	2,939.14	2,639.14	2,339.14	2,039.14	1,739.14	1,439.14	1,139.14
Other Liabilities	231.4	385.8	263.7	300.5	300.47	300.47	300.47	300.47	300.47	300.47	300.47
Total Liabilities	10,128.4	12,970.8	9,835.7	12,286.3	11,158.9	11,997.3	13,334.6	13,589.9	15,412.8	16,690.6	18,990.6
Additional Paid-in Capital	368.6	878.7	11,539.9	15,322.6	15,322.58	16,805.58	17,276.58	19,124.58	20,157.58	20,157.58	20,157.58
Retained Earnings	(1,092.2)	(1,836.2)	(8,113.4)	(8,377.0)	(6,914.88)	(5,887.15)	(4,611.92)	(2,501.96)	109.79	3,804.78	8,421.09
Other Reserves	(11.2)	(6.3)	3.4	(9.5)	(9.48)	(9.48)	(9.48)	(9.48)	(9.48)	(9.48)	(9.48)
Total Shareholders Equity	(734.8)	(963.8)	3,429.9	6,936.1	8,398.2	10,909.0	12,655.2	16,613.1	20,257.9	23,952.9	28,569.2
CHECK	0	0	0	0	0	0	-	-	-	-	-

DCF

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
FCFF						1,040	1,568	1,964	2,928	4,005	5,018
Discount period						1	2	3	4	5	6
Discount Factor						0.92	0.85	0.79	0.73	0.67	0.62
PV FCFF						961	1,338	1,548	2,132	2,694	3,118.26
Terminal Value	95,522										
PV (Terminal Value)	59,353										
Sum of PV(FCFF)	11,791										
Enterprise Value	71,145										
Less Debt	2,939										
Add Cash	9,397										
Equity Value	77,602										
Shares outstanding	614										
Implied Share Price (\$)	126.31										

WACC

Cost of equity

Risk free rate	3.52%
Equity market risk premium	4%
Levered beta	1.14
Cost of equity	8.31%

Weighted average cost of capital (WACC)

Cost of equity	8.31%
Cost of debt	8.32%
E/EV	96%
D/EV	4%
Tax rate	15%

WACC 8.25%

Terminal growth rate 3.00%

Equity Research

ABNB-US

Broker Outlook

Broker	Analyst	Modification Date	Grth (YoY%)	Tgt Price*	Rating*
KeyBanc Capital Markets	Justin Patterson	09 Sep '22	13.7	212.00	Buy
Restricted 1	Restricted	03 Aug '22	13.5	160.62	Hold
Restricted 2	Restricted	23 Aug '22	11.9	179.97	Hold
Loop Capital Markets	Rob Sanderson	10 Aug '22	42.0	225.42	Buy
DA Davidson	Tom White	03 Aug '22	44.9	202.50	Buy
Piper Sandler Companies	Thomas Champion	03 Aug '22	44.1	175.02	Hold
Wells Fargo Securities	Brian P. Fitzgerald	03 Aug '22	41.4	267.59	Buy
Susquehanna Financial Group	Shyam Patil	03 Aug '22	41.4	216.97	Buy
Restricted 3	Restricted	03 Aug '22	33.5	114.65	Hold
Mizuho Securities USA	James Lee	03 Aug '22	32.7	195.27	Hold
Jefferies	John Colantuoni	03 Aug '22	31.8	202.50	Buy
Wolfe Research	Deepak Mathivanan	03 Aug '22	30.0	129.32	Hold
Deutsche Bank Research	Lee Horowitz	03 Aug '22	26.5	139.11	Hold
Canaccord Genuity	Michael Graham	03 Aug '22	21.2	253.13	Buy
Restricted 4	Restricted	03 Aug '22	19.5	202.50	Overweight
Cowen & Company	Kevin Kopelman	03 Aug '22	16.0	202.50	Buy
Truist Securities	Naved Khan	03 Aug '22	10.7	173.57	Hold
Gordon Haskett	Robert Mollins	03 Aug '22	10.7	118.98	Hold
Needham	Bernie McTernan	03 Aug '22	0.1	216.97	Buy
Atlantic Equities	James Cordwell	04 Jan '21	-	180.81	Hold
			Low	114.65	
			Average	188.47	
			High	267.59	

Comparable & Precedent Analysis

Comparables

Company	Ticker	Market Data		P/E		EV/EBITDA		EV/EBIT		EV/Revenue		P/B	
		Share Price (\$)	Market Cap (\$A m)	LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM	LTM	NTM
Expedia	NASDAQ:EXPE	102.49	15,600	47.22x	45.24x	30.20x	28.55x	19.41x	17.78x	9.40x	9.13x	2.48x	2.11x
Trivago	NASDAQ:TRVG	1.44	500	7.79x	7.47x	22.00x	19.47x	36.10x	32.60x	8.40x	7.46x	2.95x	1.97x
Tripadvisor	NASDAQ:TRIP	24.62	3,290	28.01x	27.46x	44.80x	41.99x	18.00x	17.80x	7.70x	4.15x	1.75x	1.56x
Booking.com	NASDAQ:BKNG	1,902.99	71,740	10.60x	8.49x	38.30x	34.47x	18.60x	15.60x	9.30x	8.88x	3.57x	3.19x
Trip.com	HKG:9961	206.20	125320	127.50x	122.51x	14.20x	11.84x	32.20x	30.47x	7.10x	6.59x	3.47x	2.71x
Average				44.22x	42.23x	29.90x	27.26x	24.86x	22.85x	8.38x	7.24x	2.84x	2.31x
Median				28.01x	27.46x	34.25x	31.51x	19.41x	17.80x	8.40x	7.46x	2.95x	2.11x
25th Percentile	25%			10.60x	8.49x	22.00x	19.47x	18.60x	17.78x	7.70x	6.59x	2.48x	1.97x
75th Percentile	75%			47.22x	45.24x	38.30x	34.47x	32.20x	30.47x	9.30x	8.88x	3.47x	2.71x
Airbnb		\$101.73	72910	64.91x	35.75x	40.84x	38.77x	45.41x	38.18x	8.86x	7.46x	8.46x	8.10x

Precedents

Acquirer	Target	Acquisition Data			Target Financial Data		Acquisition Multiples	
		Purchase Price (\$m)	Per Share	Premium	Target Revenue	Target EBITDA (\$m)	EV/Revenue	EV/EBITDA
2016	Ctrip	1,750	\$1.87	16.67%	158.3	12.6	11.05	138.9
2015	Expedia	3,900	\$38.31	21%	130.7	40.2	29.84	97.0
2014	Expedia	1,600	\$12	29%	932	82.58	1.72	19.4
2014	Expedia	703	\$3.30	30%	149.7	71.8	4.70	9.8
2016	AccorHotels	170						
2021	Booking Holdings	1,200					7.88	58.20
							Low Range	77,936 98,844
							High Range	100,471 118,844

Sensitivity Analysis

		Exit Multiple					
		24.1%	37	38	39	40	41
Exit EBITDA	4,052.81		20.9%	21.5%	22.0%	22.6%	23.1%
	4,252.81		21.9%	22.5%	23.1%	23.7%	24.2%
	4,452.81		23.0%	23.5%	24.1%	24.7%	25.3%
	4,652.81		23.9%	24.5%	25.1%	25.7%	26.3%
	4,852.81		24.9%	25.5%	26.1%	26.7%	27.2%

		Exit Multiple					
		24.1%	37	38	39	40	41
GBV (m) 2027	165,584		21.1%	21.7%	22.3%	22.9%	23.4%
	170,584		21.8%	22.4%	23.0%	23.5%	24.1%
	175,584		22.4%	23.0%	23.6%	24.2%	24.8%
	180,584		23.1%	23.7%	24.3%	24.9%	25.4%
	185,584		23.7%	24.3%	24.9%	25.5%	26.1%

		Exit Multiple					
		24.1%	37	38	39	40	41
GBV per N&E 2027	180		21.3%	21.9%	22.5%	23.1%	23.6%
	185		21.9%	22.5%	23.1%	23.7%	24.3%
	190		22.5%	23.1%	23.7%	24.3%	24.9%
	195		23.1%	23.7%	24.3%	24.9%	25.5%
	200		23.7%	24.3%	24.9%	25.5%	26.1%

		Exit Year					
		24.1%	2024	2025	2026	2027	2028
Exit Multiple	39		20.5%	34.4%	21.3%	24.1%	23.9%