

25-Feb-2021

Airbnb, Inc. (ABNB)

Q4 2020 Earnings Call

CORPORATE PARTICIPANTS

Ian Lee

Head-Investor Relations, Airbnb, Inc.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

OTHER PARTICIPANTS

Brian Nowak

Analyst, Morgan Stanley & Co. LLC

Heath P. Terry

Analyst, Goldman Sachs & Co. LLC

Lloyd Walmsley

Analyst, Deutsche Bank Securities, Inc.

Justin Post

Analyst, BofA Securities, Inc.

Jed Kelly

Analyst, Oppenheimer & Co., Inc.

Brent Thill

Analyst, Jefferies LLC

Colin Alan Sebastian

Analyst, Robert W. Baird & Co., Inc.

Michael Graham

Analyst, Canaccord Genuity LLC

Jason B. Bazinet

Analyst, Citigroup Global Markets, Inc.

Justin Patterson

Analyst, KeyBanc Capital Markets, Inc.

Stephen Ju

Analyst, Credit Suisse Securities (USA) LLC

Mario Lu

Analyst, Barclays Capital, Inc.

Kevin Kopelman

Analyst, Cowen & Co. LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon and thank you for joining Airbnb's Earnings Conference Call for the Fourth Quarter of Fiscal 2020. As a reminder, this conference call is being recorded and will be available for replay from the Investor Relations section of Airbnb's website following this call.

I will now hand the call over to Ian Lee, Airbnb's Head of Investor Relations. Please go ahead.

Ian Lee

Head-Investor Relations, Airbnb, Inc.

Thank you. Good afternoon and welcome to Airbnb's fourth quarter of fiscal 2020 earnings call. On the call today, we have Airbnb's Co-Founder and CEO, Brian Chesky; and our Chief Financial Officer, Dave Stephenson.

Earlier today, we issued a shareholder letter with our financial results and commentary for our fourth quarter of fiscal 2020. These items are also posted on the Investor Relations section of Airbnb's website. During the call, we'll make brief opening remarks and then spend the remaining time on Q&A.

Before I turn it over to Brian, I would like to remind everyone that we'll be making forward-looking statements on this call that involve a number of risks and uncertainties. Actual results may differ materially from those expressed or implied in the forward-looking statements due to a variety of factors. These factors are described under Forward-Looking Statements in our shareholder letter and our prospectus filed with the SEC on December 11, 2020. We urge you to consider these factors and remind you that we undertake no obligation to update the information contained on this call to reflect subsequent events or circumstances. You should be aware that these statements should be considered estimates only and are not a guarantee of future performance.

Also during this call, we will discuss some non-GAAP financial measures. We provided a reconciliation to the most directly comparable GAAP financial measures in the shareholder letter posted to our Investor Relations website. These non-GAAP measures are not intended to be a substitute for our GAAP results.

And with that, I'll pass the call to Brian.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Thank you very much, Ian, and thank you all for joining today. I am excited to share our results for the first time as a public company. I want to start by acknowledging that we are still in a pandemic, and a lot of people are hurting. So, we know how lucky we are to be in the position we're in.

Now, before I go into our results, I want to share a theme that will run through each of our earnings calls. When we started Airbnb, it was about more than just travel. In 2007, my roommate, Joe, and I inflated three airbeds one weekend and turned our apartment into an airbed and breakfast. We hosted three guests that weekend, Michael, Kat and Amol, and in doing so, became the first Hosts. Our guests arrived as strangers but they left as our friends. And the connections we made that weekend made us realize maybe there's a bigger idea here.

Since then, we've grown from 2 Hosts in San Francisco to 4 million Hosts all around the world. The idea of Airbnb is only possible because of Hosts. Without Hosts, you're an outside in the place that you visit, and without Hosts,

you have nowhere to stay but crowded tourist districts or resorts. A great Host does more than share their space. They provide a deeper connection to the places you visit and the people who live there, and they set the stage for you to be able to spend meaningful time with the people you travel with. So this is why 14 years later, hosting is still at the center of Airbnb. As the world continues to change, people's fundamental need for connection and belonging will not. This is what we will remain focused on day in and day out, quarter after quarter.

With that, let me talk about our results. 2020 was a year when nearly everything changed: the way we live, the way we work, and the way we travel. Airbnb changed as well. We started 2020 by preparing for our IPO, only to have to put on hold once the world went into lockdown. But then, in the face of the biggest crisis the travel industry has ever seen, our business proved to be resilient, and our model was able to adapt. Through the crisis, we also sharpened our focus. We made many difficult decisions while staying true to our core principles and we became a stronger company as a result, and we succeeded in going public after all.

Now, despite a difficult year, we are encouraged by our resilient business performance. In the depths of the pandemic, we have forecasted that revenue in 2020 could be less than half of 2019 level. Yet, we delivered \$3.4 billion of full-year revenue in 2020, down only 30% compared to the year earlier. In Q4, our revenue of \$859 million was down only 22% year-over-year despite the second wave of COVID cases and widespread lockdowns.

In addition to this top line resilience, we also demonstrated focus and discipline to protect our profitability. Our adjusted EBITDA in 2020 was slightly better than 2019, and this was despite revenue being down \$1.4 billion.

Our adjusted EBITDA in Q4 2020 was nearly \$250 million better than Q4 2019. This was despite revenue in Q4 2020 being \$250 million lower than a year earlier. So, we're able to achieve these results because of the adaptability of our business model and because of our focus and financial discipline. We believe these two factors set us up well for the coming travel rebound, and travel is coming back.

Nearly a year after lockdowns began, we believe people are yearning for what's been taken away from them, travel and human connection. When travel returns, it will be about connection. People want to spend meaningful time with their family and friends. And because of this, as restrictions lift and borders begin to open, we expect there will be a significant travel rebound. So, in 2021, our single priority is to prepare for the coming travel rebound.

To do this, what we're going to do is perfect the entire end-to-end experience of our core service. First, we're going to educate the world about what makes Airbnb different, hosting. Through our marketing and communications, we will educate guests that being hosted is a better way to travel. In addition, we will inspire more people to become hosts.

Next, we will recruit more hosts and set them up for success. Once you've educated people about hosting, we'll simplify the onboarding process so it's easier for a host to get started, and we are improving our tools and support to help them succeed.

Third, to make it easier for guests to find the perfect stay, we are simplifying every part of the guest experience, as well as improving our search functionality to support more flexible travel patterns.

And finally, whenever our hosts or guests need us, we need to deliver world-class service. So, we're actively fixing product issues that drive community contact, we're scaling our operations to meet the demand, and continually enhancing our service.

So, that is our plan for 2021: Educate the world about hosting, recruit more hosts and set them up for success, simplify the guest experience, and deliver world-class service.

I want to end by just highlighting two things that we launched this week that I'm really proud of. On Monday, we launched our first large-scale marketing campaign in five years, Made Possible by Hosts. Even though the brand of Airbnb is mainstream, the idea of hosting is not yet. Our goal with this campaign is to make a long-term investment in educating the world about our hosts. This campaign will help our guests to understand the benefits of being hosted and how this is unique to Airbnb, and it will create more awareness around the idea of becoming a host by making it more mainstream and aspirational.

By using real photos of real guests on real Airbnb trips, this campaign shows what the real experience of being hosted is like, and I think it speaks directly to the need for connection that people all over the world are feeling after nearly a year of isolation. So, that is Made Possible by Hosts.

And second, finally, Flexible Dates. On Tuesday, we launched a new feature that we call Flexible Dates. Today, more people are working from home, and that means more flexibility about when and where they travel. Because of this, we're seeing a shift in how people search on Airbnb. In 2021 to-date, almost 40% of people searching on Airbnb have been flexible in terms of their date or their location of their stay. This is a huge change in the search paradigm in travel.

Flexible Dates allows guests to search for homes in a whole new way. Instead of having to select the exact dates for a trip, guests are able to do broader searches. Now, you can search for a weekend getaway, a week-long vacation, or even a month-long stay sometime in the next few months. This allows our guests to browse more options while being flexible on the exact dates of their trip, and we think this will be a very popular feature coming this travel season.

So, that's our plan for this year to prepare for the coming travel rebound. We're excited about the year ahead.

And with that, I look forward to answering your questions today.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from Brian Nowak with Morgan Stanley.

Brian Nowak

Analyst, Morgan Stanley & Co. LLC

Q

Thanks for taking my questions. I have two. The first one, Brian, I think you brought on quite a few new users to the platform throughout 2020. Just curious, are you seeing anything different from a retention perspective or any differences in user behavior of those people as 2021 booking season has started?

And the second one, I think in the letter, you talked about 1Q 2021 bookings being above 1Q 2020. Is there any more detail on sort of which regions are driving that or is that pretty broad-based as people just sort of looking forward to travel on the back half around the globe? Thanks.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Yeah. Thank you for asking the questions. And I'll start, and Dave, you can obviously – well, feel free to elaborate. I'll start with the second question. We are seeing a lot of resiliency in certain geographies, especially North America and Europe. What we've generally found is that domestic travel globally is pretty strong, and that the primary challenge is cross-border travel, in addition to, of course, business travel, where we're not as affected by business travel reductions.

And so countries with really strong domestic travel are seeing more resilience than countries that are not as affected by the cross-border travel. So, that's the first thing that we're seeing. And I'm very encouraged by it.

Now, as far as retention of users that we got last year, we are seeing continued strong retention. There's no major changes. I think the retention of our user base has historically been strong, and it was very strong last year. I'll just highlight a couple of things.

One of the reasons I think our retention is strong is because people are finding many new use cases to use Airbnb in addition to all the old reasons they used us. So, even though borders were closed, international travel was reduced, many people found longer-term stays in Airbnb, because they were working from home, they were flexible. Many people wanted to get in cars and travel nearby, staying in a local community, and so we were able to [ph] feed (12:11) that demand as well. And so there's a number of areas that I think that provide a lot of resiliency for our model. I think it's inherently adaptable. And as our model adapts, that means retention increases because there are more uses for our guests.

Brian Nowak

Analyst, Morgan Stanley & Co. LLC

Q

Great. Thanks, Brian.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Thank you.

Operator: And your next question comes from Heath Terry with Goldman Sachs.

Heath P. Terry

Analyst, Goldman Sachs & Co. LLC

Q

Great. Thanks. Brian, as we do look out to the recovery later this year and beyond, I'd be interested in what you're seeing so far in terms of a more flexible workforce using Airbnb for both sides of their travel, meaning they use Airbnb to monetize their home in one location to fund a longer-term stay somewhere else, and how you see the size of that opportunity as more mobility becomes possible for a workforce that's gotten a taste for it.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Yeah. That's a really good question. I want to really underscore this point. The way – let me kind of – let me say this. Travel will come back. But when travel comes back, we believe it's going to look different than before. We don't think we're ever going back to the world of travel in 2019. It's going to change and it's going to be different. And probably the biggest difference we've seen is flexibility.

A world with Zoom is a world where more people can work from home. And a world where more people have the flexibility to work from home, we're seeing more people say they can work from any home on Airbnb. And so we've seen a number of new use cases. People are living more nomadically. Some people are taking longer-term stays, one or two months at a time in Airbnb. People are taking extended three, four-day weekends, like many weekends in a row, because they don't have to be in a physical office. And many people are snowbirding, they're like potentially living somewhere cold and they want to go somewhere warm, they have the flexibility to do that.

The other thing you mentioned is new people hosting. One of the things we found is that many people like to start hosting at the beginning of a life change. Maybe somebody has kids and the kids move out of the house, they got some extra bedrooms. Maybe they were recently unemployed, they recently lost their job, or they're now living more remotely and their home is more available.

So, one of the things that we're really excited about is as we see more flexibility and more week or month-long stays, there's more empty homes people are leaving behind. And our largest source of hosts in 2019 were prior guests. 23% of our hosts in 2019 were guests first. And so we think there's big opportunities for us to continue to convert our guests to become hosts, and this new world of flexibility means more empty homes that could be shared.

Heath P. Terry

Analyst, Goldman Sachs & Co. LLC

Q

Great. Thank you very much, Brian.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Thank you.

Operator: And your next question comes from Lloyd Walmsley with Deutsche Bank.

Lloyd Walmsley

Analyst, Deutsche Bank Securities, Inc.

Q

Thanks for taking the question. Two if I can.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Yeah.

Lloyd Walmsley

Analyst, Deutsche Bank Securities, Inc.

First, Brian, you guys talked about Made Possible by Hosts. Can you just talk a little bit more broadly about the supply acquisition strategy and what you're doing kind of near-term to build up supply in markets close to cities, as well as longer-term to continue to sustain your growth? And is there an opportunity to get more productivity out of existing supply or will most of the long-term growth come from new supply?

And then the second question, as you guys prepare for the rebound in travel, how are you approaching performance marketing differently in terms of maybe scale and expected ROIs in 2021 versus, say, 2019 and 2020? The shareholder letter talks about materially increasing marketing efficiency, so if you could explain that a little bit more, that will be great. Thanks.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Yeah. These are two really good questions. Thank you for them. I'll start with supply, then I'll go to performance marketing. On supply, let's just start framing it. We have about 4 million hosts on Airbnb. 90% of our hosts are individual hosts. These are everyday people, typically school teachers, healthcare workers, students. 55% of them are women. And the vast majority of them come direct to Airbnb. So, most of our hosts, we don't have to acquire per se. They come organically, often because they've heard of Airbnb, their friends have recommended it to them who are also hosts, or because, as I mentioned before, 23% of our hosts in 2019 were prior guests.

The second point I'd make is our model is pretty adaptable. So, we have hosts in 100,000 communities. One of the things we're seeing is a change of travel patterns right now in the pandemic. People aren't just looking to go to the same 20 or 30 cities. They now want to get in cars and travel to local communities nearby. That means that travel, in a sense, is being redistributed to thousands of communities. This helps us smooth out any supply-demand gaps that we might have. But we do have a number of levers to add supply.

Let me start by saying, yes, our existing hosts rent their homes only occasionally. So, we see huge opportunities for productivity. The average host on Airbnb makes like under \$10,000 a year and they do that by renting out just occasionally. So, we think there's a huge opportunity to increase productivity of the hosts that we already have. That being said, we also think now is the time that people are interested in hosting more than ever before.

Airbnb, we started Airbnb in a recession. And during the recession of 2008, people were losing their jobs, losing their homes, and many people turned to Airbnb for income. We think now hosting is as appealing as ever before given the economic circumstances happening in this country and around the world. And so we're doing a few things. Made Possible by Hosts is a global campaign. It's, as I said, our first global campaign in five years. And we think if this campaign is successful, this can absolutely mainstream hosting and bring a lot of people to our platform.

In addition, we're doing a companion campaign called Made Possible by Hosting, and that's going to talk about all the benefits of hosting. And we're going to really target people that are going through a life transition, as I said,

people that just renovated their home, bought a new house, lost their jobs, maybe they retired, maybe their kids moved out of the house. So, we think this is a really great way to be able to target and recruit more hosts. Once they come to Airbnb, we want to make it more – we want to increase the conversion rate of people coming to Airbnb and then listing an active listing on Airbnb. Conversion rate is the name of the game.

One of the things we've learned about conversion rate is the easier to make something and the more support you offer to somebody, the more likely they're going to get through the conversion funnel. So, we're reducing the steps. We're going to allow you to become a host in less than 10 minutes. And if you need help, you can call customer service, or we're going to match you to existing hosts to be able to support you along this journey. If we do these things, I think we'll be able to add a significant amount of more hosts because the average person around the world that they knew that they can make some extra money by meeting interesting people, a lot more people would do it.

Now, the next question is about marketing, performance marketing. And let me just also take a step back and talk a little bit more about our marketing strategy, because I think this is very important to the corporate story. In 2019, we had elevated spending of performance marketing. And then 2020 occurred, our business drops by 80% in eight weeks, and we pulled back all marketing, including performance marketing. But something remarkable happened. Even before we started resuming our marketing spend, our traffic levels came back to 95% of the traffic levels of 2019 without any marketing spend. And what this have revealed is that our brand is inherently strong. It's a noun and verb in pop culture. And so we don't intend to ever again spend the amount of money as a percentage of revenue on marketing in the future as we did in 2019.

In Q4, more than 90% of our traffic was direct or unpaid, and we think that will continue in the future. Our marketing plan, therefore, our strategy is the following: A full funnel marketing approach. The top of the funnel is actually PR. We got more than 0.5 million articles in last year, in 2020, and we had as much share of voice as most of the other major travel companies combined. And that's how we really built the brand of Airbnb, more than anything probably with PR.

Second is brand marketing. We think of brand marketing as education and an investment. And so Made Possible by Hosting – by Hosts, is an investment in hosting. And then performance marketing, we don't treat performance marketing like other travel companies. We think of it as like a laser. It's not a way to arbitrage users. It's a way to laser in on where we want to acquire guests or hosts in key markets where we have a supplier-demand mismatch. But make no mistake, our efficiencies, we're going to hold to a much higher level than 2019 or years prior.

I don't know, Dave, if you want to share anything else about that.

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Yeah. I think you've covered it really well. I'll just round it out by saying that we'll continue performance marketing where it makes economic sense to do so. It's absolutely an important lever, and we'll absolutely continue to do it. We're just going to have a higher rate of return on expectation on that performance marketing spend, and won't return to the levels that we saw in 2019.

Our sales and marketing expenses as a percentage of revenue in 2021 will be below that of 2019. The absolute dollars in 2021 will be below that of 2019. And I guess I'll round this out by saying that because of the marketing campaign, the Made Possible by Hosts, is launching now in advance of the summer travel season, you're going to

see sales and marketing as a percentage of revenue higher in the first half of this year than you will in the second half.

Lloyd Walmsley

Analyst, Deutsche Bank Securities, Inc.

Q

All right. Very helpful. Thank you.

Operator: Thank you. Your next question comes from Justin Post with Bank of America.

Justin Post

Analyst, BofA Securities, Inc.

Q

Great. Thank you. A couple of questions. Obviously, a lot of cost discipline this year to get to close to breakeven by Q4, which is pretty remarkable. How are you thinking about balancing that? And do you have any margin targets in mind as we think about modeling 2021?

And then secondly, very interesting, and I'm sure you have a lot of incentives to get more hosts. Do you think there's a lot of latent host offerings that will come online once people get through the health issues? I guess another way of asking, do you think a lot of hosts have pulled their listings and will be back as soon as they feel more comfortable? Thank you.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Thank you very much, Justin. Why don't I start, and then I'll let Dave elaborate. Let me just start at a high level about cost discipline. We would have, of course, like everyone else, never asked for last year's crisis, but I do think that crisis made us a much better company because the first thing that happened is we got more disciplined. When our business was precipitously falling, we knew we couldn't focus on everything, so we focused on what was most special about Airbnb. That was our individual hosts. It means we've scaled back numerous investments. But something else, Justin, we found, was as we've focused, what it really meant was we're taking our very best people and putting on the most important problem. And as we did that, they not only save money, actually drove more growth. I think that, in addition to the inherent adaptability of our model, does explain why we're able to see a fairly strong recovery in the back half of last year. I'll let Dave talk a little bit more about margin targets, but I'll just also get the host, and I'll hand over to Dave.

On latent host offerings and/or this question of did hosts pull back and do they intend to host again? What we know is this, in any given day, we have a certain number of hosts active and live in the platform. We know that when hosts deactivate, it's often not permanent. It's because they're taking a break from hosting. And we know many hosts are intending to host once again. And so one of the things we're doing is I did a Q&A, a town hall with thousands of hosts. And I basically said to them, together, we have to be ready, and we want to be prepared for this travel season. And our goal, collectively with our hosts, is to be ready before the rebound happens. We'd rather be early than late. And so we do expect a lot of hosts to be ready.

And one of the dynamics we basically found is one of the nice things about our business is as the host gets more booked up, they often either expand by adding a listing or more likely they'll tell their friends who also become hosts. So, as occupancy rise, it does have a nice benefit where word gets out that people are making money, and if we can fulfill that with and/or supplement that with our brand campaign, I think it could yield quite a few gains.

Dave, do you want to cover either of these?

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Yeah. I'll just round it out by saying the overall number of active listing through Experiences was relatively stable in Q4 relative to Q3 at about 5.6 million. So, we actually haven't seen a substantial amount of deactivations. It's been very stable. And for all the reasons that Brian said earlier, we're optimistic that we'll continue to be adding new hosts in the future, just given all of the tailwinds of the kind of macroeconomic factors that we have going around the world.

As far as margin targets, one of the things we're really proud of is the progress we've made on our profitability efficiency over 2020, right? We've made substantial reductions in our fixed costs. We will not be having to add back fixed cost to support a business that will again approach 2019 levels and beyond. And so our fixed cost discipline is great and will continue.

And then we saw really great improvement in our variable cost efficiency across the P&L. And when you actually remove in Q4, remove the one-time impacts on stock-based compensation relative to the IPO, our costs are down in every category across our P&L. And it's that discipline on variable expenses, things like cost of payments, community support expenses, infrastructure expenses, all the way down that we're proud of.

And what we would like – expect to achieve over time is 30% EBITDA margins or greater. And this has just accelerated our path towards those long-term margin targets. I'd love to give you specific targets for 2021, but it's just too hard to know what our revenue is going to be, and so therefore kind of a flow-through to profitability. We're seeing that our revenue rates in Q1 will be better than the revenue growth rates in Q4, but we just don't have a lot of visibility in the back half of the year to give you a lot of guidance on profitability right now.

Justin Post

Analyst, BofA Securities, Inc.

Q

Great. Thank you.

Operator: And your next question comes from Jed Kelly with Oppenheimer.

Jed Kelly

Analyst, Oppenheimer & Co., Inc.

Q

Great. Thanks for taking my question. Two, if I may. Just one, can you provide any color on how your bookings for the summer travel are trending relative to this time last year? And then, Brian, what do you think the Olympics could do just to give people's confidence in traveling, especially around international travel? Thank you.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Thank you for the question. Dave, maybe you can take summer travel, and I'll take Olympics?

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Sure. I don't have a lot of color that I give you on summer travel bookings. I mean, one thing I can say is that people are booking in shorter windows. So, the greatest growth we're seeing in the business right now are booking windows in less than 30 days. And typically, kind of pre-COVID, you're right, we'd be seeing much more of the bookings now ahead for the summer travel season, and that is delayed relative to kind of historic patterns.

We're seeing some bright spots. We've seen a little bit of a bright spot in the UK, driving some summer travel bookings here in Q1. But we don't have any more color that I can give to you on summer expectations. We just know that we want to be ready for the travel rebound when it occurs. We just don't know exactly when it will occur.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

And then on the question on the Olympics, just – we are a sponsor of the Olympics. And if the Olympics has fans, I think it would be a great boon to travel. But I don't think it's clear this year in Tokyo that we'll have fans, so we'll have to see how that goes. But I can just comment more broadly about what we're seeing with travel demand.

We did a survey recently of American travelers, and we found a couple of things. The first thing we found is that people miss traveling. That's not surprising, but we also found that people miss traveling more than any other out-of-homes of activity. People miss traveling more in America than going to restaurants, going to sports, live music, or other activities. But they don't miss all kind of traveling.

Generally, people don't miss traveling for business as much, and they generally don't miss mass tourism. They're generally not missing standing in a line with selfie sticks in front of a landmark, for example, or going to a crowded lobby. The kind of travel that people miss is spending meaningful time with the people they care about, their friends and their family.

And so we found that the majority of people we surveyed said they do plan to travel this year. They will do it as soon as they feel safe to do so. So, obviously, that's going to be pegged a little bit to the health crisis. But we see a lot of enthusiasm. And I think the kind of travel that we offer allows people to be able to connect with their friends and family because a home is a great way to be able to gather and spend a meaningful quality time. And that is very much what we're focused on.

We think this is a huge window of opportunity, this travel rebound. And I think it's going to be disproportionately a travel rebound that's not going to be cross-border. It's not going to be business travel. People are going to get in cars, they're going to travel to smaller communities, and they're also going to be staying in home. So, we are prepared, and we're going to be prepared for that.

Jed Kelly

Analyst, Oppenheimer & Co., Inc.

Q

Thank you.

Operator: And your next question comes from Brent Thill with Jefferies.

Brent Thill

Analyst, Jefferies LLC

Q

Thanks, Brian. Just...

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Hey.

Brent Thill

Analyst, Jefferies LLC

Q

...if you could comment on the experience business and what you're seeing there and how important that is to the overall strategy right now. And also, as we come back through this recovery, can you just talk to the other element of the stay which could be the hotel? And I know you've invested there. How important will that be as we go back through the upswing of this travel cycle?

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Yeah. Thanks for the question, Brent. So, yeah, I'll talk about Experiences and hotels. So, with Experiences, this is a very important product for us. Experiences are one of the purest manifestations of hosting and connection that we have. I mean, in a sense, that is the entire product. You have an experience with a host and you connect with other guests. So, this is really important to us.

And what we found statistically is that guests on Airbnb actually like Experiences statistically more than homes. For example, more guests leave a five-star review after their experience than they do after a home as a percentage of – after the reservation. So, we thought last year was going to be a breakout year for Experiences, but the opposite happened. We had to put the product on hold with social distancing.

So, very quickly, we pivoted the product to create online experiences. Because people can gather in person, we created one-hour activities that you could do from your computer. These were different than Instagram like videos or YouTube videos. These are actually interactive. So, you actually can connect with a host and you can meet other guests. And people are using these because they're feeling more isolated and they want to meet other people.

And I think, as the world starts opening back up, I think we're very bullish on Experiences over the coming years. Because when people travel, they're going to want to do something interesting. And I don't think they're all going to desire to go back to getting on double-decker buses and waiting in line in crowded lobbies or landmarks. They're going to want to do really interesting activities. And I think that's what our hosts have to offer.

And then, for people in their own city, I think you can only sit at home and watch so many shows on Netflix. People will want to get out of their home. And if they want an alternative to a restaurant, I think Experiences are a great thing to do in their own city.

So, the short answer is that we're very focused on it. We had to take a bit of a pause last year, but they're coming back, and we're going to be focused on it, because it's just another way of hosting. And this is one of many ways that we're going to continue to allow hosts to be able to share their world with others.

Now, with regards to hotels, this is a little bit of a different story. We made an acquisition of HotelTonight. I'm very proud of the acquisition. I'm very glad we made it. It's a great team and a great app. It's one of the most loved hotel booking apps in the world. And we were investing quite heavily in this product. Now, when the crisis happened, we had to scale back certain investments. And one of the investments we scaled back was our investment in hotels. But we didn't scale it back entirely. We still are investing in hotels, just not as much as before.

The way we think of hotels is the way essentially we think about property managers on Airbnb. Airbnb is a community of 4 million hosts, 90% are individuals, and they are who we prioritize because that's where our guests speak. Our guests want something that's one of a kind, and this is typically offered by our individual hosts.

But that being said, we never want Airbnb guests to come to Airbnb and not be able to find something they're looking for. So, we think that hotels, and in addition to property managers, are really important for our strategy in filling in our network gaps. Again, we don't want anyone to come to Airbnb and leave because they couldn't find a place to stay. So, hotels are important. And as we know, most hotels around the world are below 50% occupancy. So, we know they're in need of demand, and Airbnb certainly can provide that demand for them. So, that's what we're doing with Experiences and hotels, both part of our strategy in the future.

Brent Thill

Analyst, Jefferies LLC

Thank you.

Q

Operator: And your next question comes from Colin Sebastian with Baird.

Colin Alan Sebastian

Analyst, Robert W. Baird & Co., Inc.

Great. Thanks and good afternoon. Couple of questions for me, really the follow-ups. But given some of the expense rationalization last year, how confident are you at this point that you have the team and the infrastructure in place to handle more rapid rebound in travel, if that's what does transpire over the course of the year?

And then, I know this may be a little bit difficult to answer at this point. You addressed it a little bit earlier, but some of the newer use cases, such as long-term stays and shorter trips, do you have a view into whether those can be sustainable or incremental over what were normal use cases pre-pandemic? Thank you.

Q

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Yes. They're really good questions. So, let me start with being able to handle the rebound in the face of reductions and then I'll go to new use cases, and Dave will fill in as needed. With regards to the reductions, a lot of the reductions have just made us significantly more efficient and be able to handle the rebound.

One of the big changes we made – well, really, there were two big changes we made. The first big change we made is that we got much more focused. So, it means we scaled back a lot of new investment areas and put our very best people on only a few problems, especially our core of hosting.

But the other thing we did is because of that, we shifted from a divisional business unit structure to a functional organization, and this reduced lots of duplications of functions. Instead of having multiple marketing departments, multiple product departments, multiple operations groups, we now have one technology group, one marketing group, one operations group, and this made us not only more efficient, being able to turn on a dime much more quickly. So, we are preparing for this next rebound. I think that we are much more efficient. Those reductions, we'll be able to sustain.

The one group that does have to scale a little more linearly is customer service. We are scaling that ahead of demand, but make no mistake, even that is going to be significantly more efficient. We hired a woman who running our operations, named Tara Bunch. She ran all customer service at Apple for many years. And she has

A

built a great team, including new leaders for trust and community support. And we are focused on improving efficiency by reducing contact rates. We are very, very focused on reducing the need for people to call us or message us because they have a problem. If they do have to call us or message us, we are going to focus on making our agents significantly more efficient. So, that's a really big focus area on the reductions.

Now, on the new use cases, the short answer is yes, we do believe these new use cases are sustainable. Though we can't predict the future, we do know a few things to be true. Many of the reasons why people are using Airbnb for new use cases is because technology has digitized so much of the world that we can now do things remotely we couldn't do before.

So what this means is because more people can work from home on a laptop, it means they can work out of any home. And so, we think in the future, fewer people are going to be tethered to a permanent destination, and even people who are, are going to take more three-day weekends. They might be more likely to go away for the summer. And we think that in addition to the kind of short-term stays, these medium-length stays, a couple weeks or even a couple months, we think these are going to be a really big part of the story.

I guess the headline is this. People aren't just traveling on Airbnb. They're now living on Airbnb, and I think that's here to stay.

Dave, I'll hand it over to you.

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Yeah. I think the things I'd round out is that I'm very happy with the underlying progress we've made in our operations support area in terms of improving the efficiency there. We are making some investments in it in 2021 that's going to mask some of the underlying progress that we get to see internally.

And the other thing that is happening is, as Brian said, we're making sure that we're ready for the rebound when it occurs, which means that we are going to be investing slightly more earlier in the year to make sure that we have all the support ready for a return to travel and being optimistic that it will return soon. And so, with the relatively lower revenue in the first half than the second half, our operations support expenses as a percent of revenue will be slightly – will be a little bit higher in the first half than the second half.

Colin Alan Sebastian

Analyst, Robert W. Baird & Co., Inc.

Q

Great. Thank you.

Operator: And your next question comes from Michael Graham with Canaccord Genuity. And your line is open. Please go ahead.

Michael Graham

Analyst, Canaccord Genuity LLC

Q

Oh, sorry, I was on mute. Pardon me. Two quick questions. One on pricing, you mentioned that your average daily rate was up in the shareholder letter because of mix shift towards North America partially. But as demand is really robust in some of these areas, can you just talk about how Hosts are reacting in terms of offsetting price and are you seeing them get more opportunistic?

And then, the other one I wanted to ask was you talked a little bit about the steps you're taking to simplify Host onboarding. Can you just talk about the steps you're also taking to simplify the guest experience?

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Thank you, Michael. Why don't I start with simplifying the guest experience, and Dave, I can hand it over to you for pricing. So yes, as we said, to prepare for this travel rebound this summer, we're doing four things. We're going to educate the world on Airbnb. What makes Airbnb different, that's hosting. We're going to simplify – we're going to recruit more Hosts. We're going to simplify the guest experience, so we're going to deliver world-class service.

So let's talk about your question, simplify the guest experience. One of the things we know is that as we make something easier, the conversion rate goes up. And so, we have a goal to make it even easier to be able to book on Airbnb. So, we're going to be reducing steps, significantly reducing steps to be able to log in, sign on, get verified, go through the key steps you need to be able to do and be able to find a place on Airbnb. So, we're looking at the entire end-to-end experience that we're going to be doing a bit of a redesign of it over the coming months. So, I think this is going to be great for the next travel season.

But the other thing we're doing, and I want to highlight this because this is something that I highlighted in the very beginning, is we're also changing how Airbnb works, because the whole paradigm of how people search to travel has now changed. Because today, this year, thus far, 40% of people come to Airbnb and they either no longer know where they're going or when they're going. In other words, they're flexible, and this is a major change.

Because every travel company has a search box because people – they know where they're going. And so, they ask where are you going, and they have dates and say check in on this date, check out on that date. This whole new world that's much more flexible means that when people are more open-minded, we can direct demand to where we have supply. And we can actually elevate not just destinations, but unique homes that can become the destination. So, we think this is going to change how people search because it also means that people wouldn't be more likely to look for something that's unique and special, and I think that really sets Airbnb up nicely. So, that's what we're going to do to simplify the guest experience.

Dave, I'll hand it over to you.

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Yeah. In regards to ADR, we did see elevated rates of the average daily rate, and Q4 was up 13% year-over-year. We're seeing almost all of that as just a form of mix. It's a mix towards North America, which has higher ADR, entire homes in less urban areas, each of which are – have higher average daily rates. So, we're actually not seeing new Hosts increase the rate of inflation of the same property year-over-year. I'm sure some are doing it but we're not seeing a material level overall.

Michael Graham

Analyst, Canaccord Genuity LLC

Q

Okay. Thank you.

Operator: And your next question comes from Jason Bazinet with Citi.

Jason B. Bazinet

Analyst, Citigroup Global Markets, Inc.

Q

Maybe my numbers are wrong, but when I look back over the last five years, it seems as though you've actually widened the gap between yourself and your competitors in the alternative segment. And I just wonder, now that it's sort of dawned on everyone, as you say, that travel is going to change permanently, have you seen or do you anticipate sort of heightened competitive intensity relative to what the historical financials would suggest? Thanks.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Thank you very much for the question, Jason. I'll just – yeah, I'll start by saying a couple things. Number one, travel is one of the largest industries in the world and makes up a significant amount of global GDP. I believe 1 in 10 new jobs was created in the travel industry before the pandemic. So, the first thing I want to just say is this is such a large market. It's multiples larger than like the advertising industry, just to give you a point of reference. And so, we think there's room for a lot of companies.

Now, with regards to more competition in our space, I mean, we've really been seeing this competition for like the last five years actually. I don't think it's really that different. What I have found, though, is this. I think that fundamentally, Airbnb, we're in a bit of a different space than our competitors. Because Airbnb, we are focused primarily on individual Hosts. They comprise 90% of our 4 million Hosts. And OTAs are primarily focused on professional Hosts. We have professional Hosts as well, and we think professional Hosts will probably list on any site that provides a great experience and gives them high-quality guests, and we, of course, will do that. But we think individual Hosts are less likely to want to list them on multiple platforms. We're the only platform now that is a custom-built platform designed specifically for individual Hosts.

We solved a lot of the very hard problems that individual Hosts needs, like the system of trust. Individual Hosts want to know the quality, for example, of their guests. 70% of Hosts leave a review of guests after their stay. And that means, for example, a lot of guests actually have reviews. That's just one of many examples of the kind of custom-built platform we've made for individual Hosts. And so, I don't think competition is anything different, but I also think we're a bit a category of one in the sense that we are really focused on the individual Hosts as our primary opportunity area.

Jason B. Bazinet

Analyst, Citigroup Global Markets, Inc.

Q

That's super interesting. Thank you.

Operator: And your next question comes from Justin Patterson with KeyBanc.

Justin Patterson

Analyst, KeyBanc Capital Markets, Inc.

Q

Great. Thank you very much. We've spoken a lot on discovery and just how travel is changing. I'm curious to hear how you're thinking of helping individual Hosts improve their level of service just so you can make sure that special trips keep happening on Airbnb. And then, as a quick follow-up, you've got a great asset with your payments platform. Would love to hear about just how you see that investment evolving and where you see more opportunity to provide value either to Hosts or guests. Thank you.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Great. Great questions. So, why don't I start with Hosts and then we'll get to payments, and I'll let Dave elaborate on payments. So one of the things we're doing is in addition to recruiting more Hosts this year, we want to make sure our Hosts are set up to succeed. And to be able to set up for success, they have to provide great experiences because they're reviewed after the stay, obviously.

And so, we're working on a number of tools. We're going to be developing a bit more Host education to be able to educate Hosts. We have a Host advisory board that has 17 Hosts that come from 14 countries, and they're going to be advising us on features that we build to be able to help our Hosts be successful. We have a number of tools we're investing in, pricing tools to help them price their listing, improving our calendar tools, giving them more tips to provide better experiences. We're going to be updating the way the information we collect and review to be able to get more helpful feedback to Hosts.

And I'll just say, at a more fundamental level, this. The person managing our Host organization is a woman named Catherine Powell. As I said, she is an executive from Disney. She managed Disney cast members. And at Disney, they created a Disney University where they did a lot of education, and we want to bring a lot of those learnings to educating our Hosts. We don't think we're just a distribution platform for our Hosts. We're really an enablement platform, and we want to make sure we build all the tools and services and educational materials that they need to be able to be successful.

So, the last thing I'll just say with our Hosts is we're also going to be providing elevated levels of customer service to our Hosts. And we think we can do this while even becoming more efficient on the cost of customer service. So, that is what we're doing for Hosts.

Now, on payments, I'll start and I'll hand over to Dave, just to give a point of reference, in 2019, we processed approximately \$70 billion of guest and Host transactions, and this was in over 40 currencies across 220 countries and regions. So, we think this is a really unique capability that we have.

The reason we even built the payments platform in the first place is because we started with individual Hosts. We didn't start with hotels. And individual people couldn't actually receive money very easily. And we were – because we're such a global network, we're in nearly every country in the world, we actually have to have a really custom-built payment platform to be able to facilitate money between these countries. So, it's very strategic to this company. And I think it's one of the kind of best kept secrets to Airbnb, our payments capability.

Dave, I don't know if you want to elaborate on it?

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Yeah. I mean, we process 100% of the guest payments on Airbnb, and it's super powerful. Individual Hosts would not be able to host without us processing those payments for us. So if you look at competitors that have substantially lower penetration of payments, it is a definite pain point for individuals because it's not like they can do it on their own. And we also get this other benefit that as we add more payment methods, and as Brian said, in 40 currencies across the globe, we keep working on ways to localize those payment methods in all the different countries. The payment methods and customs in Brazil are different than those of Russia or they're different than those in France and different than those in the United States. And so, we really want to localize those payment

methods, and we get a double benefit of that. One is we often decrease our costs by being more local, and the second is [ph] it allows us to (48:24) increase [ph] their (48:24) conversion. So, those are all great benefits.

Justin Patterson

Analyst, KeyBanc Capital Markets, Inc.

Great. Thank you.

Operator: [Operator Instructions] And your next question comes from Stephen Ju with Credit Suisse.

Stephen Ju

Analyst, Credit Suisse Securities (USA) LLC

Okay. Thank you. So Brian, what do you think is the gap in awareness of Airbnb between your more well-established markets like the US and some of your emerging territories? And hence, what do you think the corresponding difference in activity that you see between the developed versus emerging territories that you can look to close?

And I guess secondarily, this is probably not the best question to ask while your Hosts are still struggling with flat demand, but the fees that you are charging seem to be fairly minimal, especially through individual Hosts. So, is there a greater desire to start shifting that take rate burden away from the consumer, perhaps, gradually over time, or do you feel like you want to continue on this current path, as there's probably so much more supply out there that you might want to consolidate and lock on to Airbnb? Thanks.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Thank you for the questions, Stephen. I'll answer the first question and I'll let Dave answer the second. With regards to your question about the gap of awareness between our mature markets and our new markets, yeah, I mean, our brand is extremely strong in countries all over the world, but in particular, United States, France, UK, Australia, Canada, English-speaking countries. And then France, I think, in particular, non-English-speaking country, but it's got an extremely strong kind of culture of using Airbnb over many years. There is absolutely a gap between those and new emerging markets, but this is an exciting opportunity because the biggest gap is awareness. And what we found pretty universally is in nearly every country in the world, once awareness normalizes, the growth rates and the volume of business gets to be approximately similar. So, the major thing we need to do is just increase awareness for Airbnb in our emerging markets.

We're starting this year with investing more in brand marketing. We're going to be doing digital advertising all over the world. And I expect in the coming years, we're going to be targeting key countries that are emerging opportunities for us. We've had a lot of success in Japan over the last few years. We've been on a really long journey to build that business. We've had great success in Mexico, Brazil, numerous countries and different countries all over the world. And I do think we are by far the most global network in all of travel. There is very few corners in the world where Airbnb doesn't have a strong community, but I do think that we have a very big opportunity to grow in other countries. And I think in particular, once cross-border travel reemerges, and it will in the coming years, this is going to be a huge opportunity for us.

Dave, I'll hand you the second question.

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

Yeah. Great. On fees, it's just important that we charge a really fair price for stays in Airbnb and we continue to have a great value. We believe that we do have a great value, where you can have a whole home for the price of a typical hotel. So, that when we look at our fees, we want to make sure that those fees are great value to both guests and to Hosts.

And we do have a mix of those fees. In some cases, we have a mix of a low Host fee and a higher guest fee. And then, for some of our professional Hosts, we'll have a Host-only fee, and all of it is on the Host side. And so, we'll see a mix. The mix could change over time. We continue to test and evolve to see what works best for our guests or our Hosts. And we'll just continue to evolve and iterate to make sure that we provide the best value to the overall community.

Overall, we kind of – the philosophy is as we give more back to the community in terms of services and capability, then we would – could see opportunities for further increases of take rate. But we'd always want to give more back to the community before we would increase that take rate.

Stephen Ju

Analyst, Credit Suisse Securities (USA) LLC

Q

Thank you.

Operator: And your next question comes from Mario Lu with Barclays.

Mario Lu

Analyst, Barclays Capital, Inc.

Q

Great. Thanks for taking the questions. In terms of the guest profile in 2020, just curious if the recent trends in travel, such as domestic, non-urban and whole homes, brought in a larger mix of new guests in 2020 versus 2019, and could that potentially drive further growth in future years?

And then, secondly, on occupancy, you mentioned that Hosts generate less than \$10,000 a year on average, and I believe the occupancy rates have been around 17% pre-COVID. So, what would you say are the largest drivers in order to move that rate higher over time? Thanks.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Dave, why don't I hand it to you?

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Sure. On the mix of new guests, it has been a great opportunity to introduce Airbnb to new guests. It's easier to go use Airbnb by driving 50 miles down the road or 300 miles down the road, nearby stay, domestic, than it is to hop on a plane, go halfway across the world and use Airbnb. And so, we do think that we've been able to expose it back to a number of new guests.

Now, I would say that the rebound of our business has still been skewed moderately back towards existing guests, guests that know all about Airbnb and all the benefits that we have. So, we think it's been a great opportunity to expose it. But I wouldn't say that the – it's disproportionately been new guests coming into Airbnb now. But at the same time, I think we are just become more of a mainstream opportunity for people that it's as there no longer the alternative, we really are the default.

On occupancy rates, occupancy, as kind of Brian mentioned earlier, is just an area that can flex over time that we can also drive up the occupancy of the existing property. So, we don't need to necessarily increase the number of listings to drive incremental nights. But it is an opportunity that as we get more nights, we could also bring in people that are more flexible in the times. Like if they're traveling for a week, maybe they only use their home for a week. So, occupancy is probably not the best measure of performance on Airbnb because if you're an individual Host, it's not like you want to constantly drive up the use of your existing home. You just want to make sure that the home is available some part of the time during the year.

Mario Lu

Analyst, Barclays Capital, Inc.

Q

Great. That makes sense.

Operator: Okay. And your next question comes from Kevin Kopelman with Cowen.

Kevin Kopelman

Analyst, Cowen & Co. LLC

Q

Great. Thanks so much. So during the pandemic, you've seen kind of these sun, ski, and suburban properties do really well. As we've started to see some pickup here in booking activity with the COVID cases falling, especially for the summer, can you talk about what you're seeing in some of the urban areas that have been hardest hit by the pandemic, and also maybe the kind of big picture outlook for those urban properties as we emerge?

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Yeah. Dave, I think this would be great for you.

Dave Stephenson

Chief Financial Officer, Airbnb, Inc.

A

Sure. Urban is still a really important part of our business. We have – over 40% of our nights are still are urban, and it's just the non-urban and low-density urban is the place where we're seeing the greater growth right now. So, it's still a really important part. And as travel returns, I think what we're going to find is there are a number of hotels that actually aren't going to be coming back online anytime soon.

Brian also talked about the redistribution of [ph] the bit of (56:27) travel where people are going to go to some smaller communities that may not even have hotels. And so, it's this mix that's going to be kind of changing over time. And as travel rebounds, I think we'll see – continue to see nice growth in the non-urban and low-density urban. And when urban comes back, it will just be another tailwind for us.

Kevin Kopelman

Analyst, Cowen & Co. LLC

Q

Thanks so much.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

A

Okay.

Operator: And that is all the time we have for questions. I will now turn the call back over to the company for closing remarks.

Brian Chesky

Co-Founder, Chairman & Chief Executive Officer, Airbnb, Inc.

Thank you, everyone, for joining us today for our first earnings call as a public company. Before I end today, I just want to end by thanking all of you, our shareholders. To our early shareholders, thank you for sticking with us, and to all of our new shareholders, thanks for joining us on this journey. It's just beginning. We look forward to sharing our progress this year with you. Thank you.

Operator: This does conclude today's conference call. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2021 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.