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# Airbnb, Inc. (ABNB)

Q1 2021 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.*

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## OTHER PARTICIPANTS

**Justin Post**

*Analyst, Bank of America*

**Mario Lu**

*Analyst, Barclays Capital, Inc.*

**Colin Alan Sebastian**

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

**Naved Khan**

*Analyst, Truist Securities, Inc.*

**James Lee**

*Analyst, Mizuho Securities USA LLC*

**Brian Nowak**

*Analyst, Morgan Stanley & Co. LLC*

**Mark S. F. Mahaney**

*Analyst, Evercore ISI*

**Jed Kelly**

*Analyst, Oppenheimer & Co., Inc.*

**Justin Patterson**

*Analyst, KeyBanc Capital Markets Inc.*

**Lloyd Walmsley**

*Analyst, Deutsche Bank Securities, Inc.*

**Brent Thill**

*Analyst, Jefferies LLC*

**Brian Fitzgerald**

*Analyst, Wells Fargo Securities LLC*

**Stephen Ju**

*Analyst, Credit Suisse Securities (USA) LLC*

**Deepak Mathivanan**

*Analyst, Wolfe Research, LLC*

**Kevin Kopelman**

*Analyst, Cowen and Company*

**Tom White**

*Analyst, D.A. Davidson & Co.*

## MANAGEMENT DISCUSSION SECTION

**Operator:** Good afternoon, and thank you for joining Airbnb's Earnings Conference Call for the First Quarter of 2021. 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.

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### Ian Lee

*Head-Investor Relations, Airbnb, Inc.*

Good afternoon, and welcome to Airbnb's first quarter of 2021 earnings call. Thank you for joining us today. 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 first quarter of 2021. 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 remainder of the time on Q&A.

Before I turn it over to Brian, I'd 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 in our Form 10-K filed with the SEC on February 26, 2021. 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 reconciliations 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.

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### Brian Chesky

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

All right. Thank you very much, Ian, and thank you, everyone, for joining us today. I want to start by acknowledging the state of the pandemic. COVID-19 cases continue to surge in parts of the world such as India, and our thoughts go out to our hosts, guests and employees in India during this difficult time. There is much more work to do to limit the spread of the pandemic, and many people are still hurting. And we know how lucky we are to be in the position we're in today.

2020 was a year that none of us will ever forget. It was also a year when travel fundamentally changed forever. Airbnb changed as well. We sharpened our focus on our core business of hosting, and we got back to our roots, back to what is truly special about Airbnb, the everyday people who host their homes and offer experiences. And we emerged as a stronger and more efficient company. Our business rebounded faster than anyone expected, and it showed that as the world changes, we are able to adapt.

Now turning to our Q1 results, our business dramatically improved with the rollout of vaccines and the easing of some travel restrictions. While conditions aren't yet normal, they are improving. People's desire to travel, combined with our tightly managed expenses, drove a return to our positive top-line growth that materially improved adjusted EBITDA.

In Q1, our revenue was \$887 million. This was an increase of 5% year-over-year, and it exceeded Q1 2019 levels as well. But here's the most important fact. Our business improved without the recovery of two of our strongest historical segments, urban travel and cross-border travel. We expect the return of urban and cross-border travel to be significant tailwinds over the coming quarters.

Now as our top-line recovers, we are maintaining our focus and our financial discipline to improve our profitability. Our adjusted EBITDA loss was \$59 million. This was approximately \$190 million better than the same period in 2019, and it was \$275 million better than a year ago, on essentially the same revenue. Now these results show that we are improving our variable costs. We're being disciplined with our marketing and our fixed costs.

Our strong performance also indicates the beginning of the travel rebound. Just a few hours ago, the Director of the Centers for Disease Control said, "If you are fully vaccinated, you can start doing the things that you had stopped doing because of the pandemic". What we think this means is that more people will be comfortable traveling. And it further strengthens our view that we are going to see a significant travel rebound. In fact, we expect this rebound to be unlike anything that we have ever seen before. And we expect travel to be very different than before. People are discovering that they don't have to be tethered to one location to live and work.

And what this means is that people are more flexible about where and when they travel. People can now travel any time. People are also traveling everywhere. They're not just going to same 20 or 30 cities. They're visiting smaller cities, towns and rural communities. And when people do travel, they're staying longer. 24% of our nights booked in Q1 were for stays for 28 nights or longer. People are not just traveling on Airbnb; they're now living on Airbnb. And these trends are not going away. The world is never going back to the way it was, and that means that travel is never going back to the way it was either. So let me tell you about what we're doing to prepare for what's ahead.

Our single priority in 2021 is to prepare for the coming travel rebound. To do this, we're perfecting the end-to-end experience of our core service. This includes educating the world about hosting, recruiting more hosts, simplifying the guest experience, and delivering a world-class service.

Now, I'm going to briefly share how we're executing against each of these areas. First, we are educating the world about what makes Airbnb different: hosting. In late February, we launched our first large-scale marketing campaign in five years, Made Possible by Host. We're educating guests about the benefits of being hosted, and we're inspiring more people to become hosts. Now, while it's still early, the campaign is being well-received. In markets where we're running the campaign, overall traffic is up, first-time bookers are up, traffic from prospective host is up and our brand favorability is up.

Second, we are recruiting more hosts, and we are setting them up for success. To build on the momentum of our marketing campaign, we launched an accompanying digital campaign that's focused on recruiting new hosts. And we've completely redesigned the end-to-end experience of being a host on Airbnb. We're making it easier for anyone to start hosting.

Third, we are simplifying every part of the guest experience. In February, we launched a Flexible Dates feature. It allows guests to browse options while being flexible on the exact dates of their trip. Now, since the feature launched, there have been more than 90 million Flexible Dates searches on Airbnb, 90 million searches since just February with Flexible Dates, this new feature we created. And guests who use this feature have converted at a higher rate than guests who do not. Now, this is just one of many improvements that we are making to the guest experience.

And finally, whenever our guests or hosts need us, we must deliver world-class service. So to prepare for the travel rebound, we're improving our community support products, enhancing our safety protocols and we're scaling our operation by ramping our third-party support.

Now, I want to wrap by highlighting a major announcement that we have coming up in less than two weeks. On May 24, we will announce the most comprehensive update to the Airbnb service in 12 years. As part of this special announcement, we're going to share insights on how travel is fundamentally changing, along with updates we've made to prepare for what's ahead. We're going to unveil a simpler and more inspiring guest experience. And we are going to show you upgrades that make it even easier to be a host on Airbnb. So to watch the announcement visit [airbnb.com](https://airbnb.com) on Monday, May 24.

So to summarize, we're pleased with the strong Q1 results. We are encouraged by the trends that we're seeing driving these results, and we are executing against our 2021 plan to prepare for the travel rebound. And we think this travel rebound will be like – unlike anything we've seen before. We think this is the travel rebound of the century. So, travel is coming back, and Airbnb is ready.

And with that, Dave and I look forward to answer your questions.

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## QUESTION AND ANSWER SECTION

**Operator:** [Operator Instructions] And your first question comes from Justin Post with Bank of America.

**Justin Post**

*Analyst, Bank of America*

Q

Great. Thanks so much for taking my question. I guess I really want to focus on behavior change, which could benefit the company, first, host and also guest. I think in the letter, it said host listings were stable with Q4. But it seems like you're really encouraged by what you're seeing. So maybe you could dive in there and tell us what is encouraging about what you're seeing with host? And whether you see – expect a lot of new listings to hit the market over the next year? And then, similarly, on the guest side, how do you think this pandemic is going to increase willingness to use alternative accommodations? Are you seeing some positive signs there? Thank you.

**Brian Chesky**

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

A

Thank you very much, Justin. So why don't I start? And, Dave, feel free to add in after I go. So let's start with host and then we'll go to guest. So, Justin, let's just start with we have four million hosts on Airbnb. And I think if you asked people a year ago, would we have had such a stable host community, they probably wouldn't have expected that. But what we have today are hosts that offer 5.6 million listings. And these 5.6 million listings are about a million more than we had this time in 2019. And what we've actually seen is a large growth in non-urban listings. So we actually have a 30% growth in non-urban and vacation rental listings as well.

Now it's important to note that 90% of our hosts are everyday people. They're individuals. And the reason why is as we've made hosting on Airbnb easier, more and more hosts are coming to Airbnb as well. Now, specific to what we're doing, we launched our first global campaign in five years, Made Possible by Hosts. As I said, we also have an accompanying host campaign. Both of these campaigns, we are seeing significantly larger traffic of prospective hosts to the platform.

The next thing we're doing is we're making it even easier to become a host by reducing the number of steps to become a host. And as we reduce the number of steps, conversion rate for hosts gets even easier. We now are allowing hosts to be paired with other Superhosts to help them get started, and we have webinars as well. And then finally, we have new tools and services that are going to make it even easier for hosts to list and be successful.

I'll just end this first thing by saying on May 24, we will unveil a number of new tools and services I think are going to make it much easier for hosts to get started. And I want to point out that new hosts that join Airbnb, 50% of them get a booking within four days of activation. And I think hosting is coming at the perfect time for many people in the world because Airbnb, we started, actually, after the great recession in 2008. And at that time, there were many hosts, many people that were looking at Airbnb as a financial lifeline.

I think if you think about the number of hosts on Airbnb, the top occupations of our hosts are healthcare workers, educators, and people in food and hospitality. These are industries that have been hit really, really hard. So our job is to tell the story of hosting, the fact that on Airbnb, you can make \$8,000 in the United States on average if you have one listing, which is five times you can make what an average American got in a stimulus check. So these are some of the things we're getting going, and we are just getting started ramping, and I expect us to get millions of more hosts in the coming years on Airbnb.

Now, as far as trends for guests, Justin, I'll also cover this as well. As I said before, I think two things are true. Number one, this is a travel rebound that is starting that is unlike anything we've ever seen before. I think the Q1 results kind of demonstrate this. But the other thing that we're seeing is that travel is going to be very different than before.

Probably the biggest changes are the following. Number one, I don't think business travel is ever coming back the way it was before the pandemic. It's at least not going to look like it did. I do think a new kind of business travel may emerge. Many employees are working remotely. They're going to need to go back to headquarters occasionally. You're going to see longer stays going in cities. And so we're seeing elevated bookings in urban markets for stays of longer than 28 days.

But the bigger trend is going to be flexibility. I think that all of us working around the world, most of us, if we're privileged enough to say this, are more flexible than we were before the pandemic. Because of the world of Zoom means a world where we can work anywhere, is a world where many people are also choosing to live anywhere. And this has created three travel trends. Number one, people can travel anytime. This is why we have a Flexible Dates feature where instead of saying I want to travel from July 5 to July 10, you can say I want to go somewhere for a weekend, a week, or a month anytime this summer. We've had over 90 million people use this feature and as more people use this feature, conversion rate goes up.

The second thing we're seeing is length of stay is increasing. In 2019, at this period of time, 14% of our nights were longer than 28 days. Now, 24% of our nights are longer than 28 days. What that basically means is a

quarter of our business isn't travel, it's living. After 28 days, you're probably not traveling. And I think what this is a trend of is that traveling and living are going to begin to blur together. So this is the second trend we're seeing.

And the third is people are now traveling everywhere. If you look at the concentration of our revenue, it is much more distributed than it was a couple years ago. And this is because people aren't just going to the same 20 or 30 cities. They are getting in cars and they're traveling to small towns, rural communities, many of which don't even have a hotel. So again, the big trend is flexibility. People are traveling anytime, anywhere, and they're staying longer.

We think all these trends are here to stay. And I'll just end by giving one more thought. I think there is a mass shift from mass travel to meaningful travel, because people miss traveling. In fact, in many surveys, people say the thing they miss the most that was taken away from the pandemic, at least from out-of-door activities is travel.

But they don't miss business travel. They don't miss standing in a line in front of a museum or a landmark getting a photo with a selfie stick. What they really miss is spending time with the people they care about. And we call this meaningful travel where your friends and families think Airbnb is really a great way to do that. So those are the trends that we're seeing. The two trends I do think are going to inverse are we are going to see a recovery of urban travel and a recovery of cross-border. This has been our bread and butter before the pandemic, and I think those are significant tailwinds for us.

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**Justin Post**

*Analyst, Bank of America*

Q

Great. Thanks for that very detailed answer. Appreciate it.

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

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**Mario Lu**

*Analyst, Barclays Capital, Inc.*

Q

Great. Thanks for taking the questions. The first one is on listings counts. So you said you have similar levels to last quarter around 5.6 million. But with this hosting campaign that you guys are running, is there like a timeline that we should expect to drive that number up? Or you mentioned in the past that a quarter of guests eventually become hosts, so when should we expect that number to increase?

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**Brian Chesky**

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

A

Yes. Dave, why don't I give you this question? And it's a great question, Mario, and I'll also say that in Q1, 28% of our hosts were now prior guests as well. So that number is increasing.

But, Dave, I'll hand it over to you.

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**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah, to be clear on the stat, it's that of on guests, 25%, about 24% were former – kind of new hosts were former guests, so just to be clear with the percentage. It's early. We're seeing strong listing count, 5.6 million. It's been very stable. I think actually one of the things that's been really impressive during this time is that our host churn in Q1 2021 is actually lower than our host churn in the same period in 2019, and actually our churn in 2020 was even lower than what it was in 2019. So, I just think it all just shows kind of the resiliency and the stability of our

supply. And we're just optimistic that as things continue to rebound, as we continue to educate people about the benefits of hosting and all of the tailwinds that Brian just outlined, we'll continue to see strong host growth going forward.

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**Mario Lu**

*Analyst, Barclays Capital, Inc.*

Q

Okay. And just one follow-up on domestic versus international. So I'm not sure if you can see this in your data yet, but just curious to hear if you've seen some substitution in terms of domestic bookings versus international as the vaccine rates increase. And do you think the domestic rates will remain above 2019 levels even after borders open up? Thanks.

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**Brian Chesky**

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

A

Yeah, Dave, do you want to take this one as well?

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**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah, I mean, it's unclear exactly where everything will settle out for domestic versus international. Clearly, right now, 80% of our nights in Q1 were domestic. So we've seen domestic travel being consistently the strength all around the world. Historically, our strength has obviously been in urban areas and cross border. So prior to kind of the pandemic, [ph] thinking (18:49) about 50% of our nights were actually cross-border nights. And obviously with that not occurring, clearly, there's going to be some substitution where people are going to stay domestically where they might have taken a cross-border trip.

But again, our urban and cross-border has been our strength. We know that many of these trips are incremental and such that when travel rebounds to a more typical state, we'll have growth in overall travel. Just due to the hesitancy, right? People are hesitant to travel right now, if they aren't vaccinated or maybe even can't travel due to some of the lockdowns on borders. So we know that many of the trips will be coming back and will be incremental to what we're seeing today.

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**Mario Lu**

*Analyst, Barclays Capital, Inc.*

Q

Okay. Thank you.

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

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**Colin Alan Sebastian**

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

Q

Thanks. Good afternoon. I have a couple of questions on investments and spending. I guess first off, what gives you the confidence that you can moderate sales and marketing spend in the second half without impacting bookings or listing levels if that's still the plan?

And then in terms of product development, obviously Brian will be making some announcements soon, but how are you thinking about the pace of R&D or product development spend now that business appears to be returning to normal or whatever normal means now? Is it perhaps time to look at reaccelerating hiring or what are your thoughts on that? Thank you.

**Brian Chesky**

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

A

Yeah, thank you very much, Colin. Dave, why don't I take this at a high level, and you can obviously go into a more detailed analysis. So, Colin, a couple things. Let me just first start and talk about our marketing strategy and then I'll answer your very specific question about H2 marketing.

First of all, we take a very different approach to sales and marketing I think than our competition. What we have is a full funnel integrated approach to marketing and what we integrate is PR, brand marketing and performance marketing. And really PR in addition to word of mouth is the thing that really built our brand over the last ten years. And because of that, Airbnb is a noun and verb used all over the world and this has led to 90% of our traffic being unpaid or direct even as recently as Q1. And even in this past quarter, with elevated marketing, we have similar traffic levels to 2019 but we spent 50% less on marketing.

So we think that if you have a product that is unique and different, that the role of marketing isn't to buy customers. And the role of marketing is not sizzle. The role of marketing is education. And so what we have done is we're doing our first – we did our first brand marketing campaign at a global level in five years. It was a campaign called Made Possible by Hosts and it's really just taking real photos from real guests on real trips to highlight what makes Airbnb different, which is host. We want our hosts to be as mainstream as the homes and spaces on Airbnb.

Now while the results are still early, as we said, we have seen elevated traffic levels, and to answer your question on H1 versus H2, we decided to front-load spending. We were prepared for a travel rebound unlike any other, so we don't want to spread the money over the course of the year. So we disproportionately put the spending in H1 to really capture as much of this demand as possible. And I think what we're seeing is that timing is going to bear out to be the right timing.

And then as far as why don't I also answer product development at a high level and then Dave you can also go in. So at a high level for product development, here's what we've learned. Before the pandemic, we were a divisional structure. We had our core business of homes, we also had business travel, we had – we were working on a number of other divisions. We had many divisions and because we had many divisions, we had multiple product development groups. And what we did is when we became a functional organization and we got much more focused on hosting, we realized that we could be much, much more efficient.

It's one of the reasons our product development group is much smaller than it was two years ago. And that's allowed us to move really, really fast. And I hope that you see on May 24 that even despite the team being smaller and more nimble, we've been able to increase the pace of development. I think people are going to be really impressed by what we're able to deliver. So that's at a high level. But Dave, I don't know if you want to jump in and talk more specifically about some numbers.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah, I mean, our product development spend will increase at a lower rate than revenue. We're not going to have to add back a significant number of fixed resources in order to accommodate the business that's back to the size of 2019 and beyond. So we're just going to be very disciplined in any additions to our expenses.

And then as Brian said, we're just seeing great success with our marketing strategy, which we actually started modifying prior to COVID, solidified during COVID and are continuing to see strength here in Q1. So marketing as

a percentage of revenue will be higher in early – this first half of the year than it will be in the second half of the year, but we're very encouraged by the results.

**Colin Alan Sebastian**

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

Q

Great. Thank you.

**Operator:** And your next question comes from Naved Khan with Truist Securities.

**Naved Khan**

*Analyst, Truist Securities, Inc.*

Q

Yeah, thanks a lot. Brian, maybe give us your thoughts about the re-opening of urban travel in terms of timing, how are you thinking about it? Is that something that you think might happen in the back half of this year or you think that's further out?

**Brian Chesky**

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

A

Yeah, thank you very much, Naved, for the question. Well, let me preface my answer with two comments. Number one, I'll try to be careful with predictions because anyone that was in the business of making predictions last year were crumbled. That's something I'll say is no matter what happens with travel, I think one of the things we showed last year is that our model is inherently adaptable. And so we are adaptable to any travel changes. But that being said, I do think we have quite a bit of data. And so with the data we have and we're seeing, I think I can give you some indications, although it's going to be a little hard to pinpoint.

We are seeing that as restrictions lift and cross-border begins, more people travel to cities. We're also seeing that the nature of travel to cities is changing. For example, more and more people are booking longer-term stays in cities. So the length of stay is going up. And one of the things we know is that the longer you stay somewhere, the more you're inclined to stay in a home.

So I think that as restrictions lift in countries, as vaccinations rise, we think this is a significant tailwind to both urban travel and cross-border travel. So we're very, very bullish. It's a little hard to pinpoint, but I think the comments from the head of CDC today, the lifting of restrictions across Europe, these are all really, really good signs. There's no reason this wouldn't be a huge tailwind to urban travel and cross-border.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah, our urban travel growth rate has increased every month this year and continues to do so through April and early May. So we're just seeing continued positive momentum.

**Naved Khan**

*Analyst, Truist Securities, Inc.*

Q

Thanks. That's very helpful. And maybe a quick follow up, if I may. So, Brian, you talked about business travel maybe becoming a little different, there are people might just travel to headquarters and maybe on rent...

**Brian Chesky**

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

A

Yeah.

**Naved Khan**

*Analyst, Truist Securities, Inc.*

Q

...maybe on Airbnb. Do you see a good opportunity to maybe take share in the segment versus previously just targeting business travel going into cities?

**Brian Chesky**

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

A

Yeah, I mean, in New York City, in Los Angeles, a number of these cities, we almost have as many nights booked for stays longer than 28 days as we do stays under 28 days. And New York City, actually, the majority is over 28 days now. So I think that it's a huge opportunity. If you think about where business travel is going in the future, it seems completely intuitive to me that as companies offer more flexibility, more people are going to live around the world. But they're not all going to want to live remote. They're going to have to come back to visit. And so I think you're going to start to see longer stays.

I think in addition to longer stays, you may also see business travelers traveling together. So let's say three different employees work in three different cities, and they have to come back to headquarters, they may not all get three different hotel rooms or Airbnbs. They might get one house. They can split the cost. They can eat around the breakfast table in the morning.

So I think that things that benefit Airbnb in business travel is group travel and longer stay travel. Those two things, I think, are disproportionately beneficial to do in home. And these are general tailwinds for business travel. Now, I want to be clear. People will, of course, travel for business again. I just think the bar to get on a plane to go to a meeting will be higher than before.

**Naved Khan**

*Analyst, Truist Securities, Inc.*

Q

Thank you.

**Operator:** And your next question comes from James Lee with Mizuho.

**James Lee**

*Analyst, Mizuho Securities USA LLC*

Q

Great. Thanks for taking my questions here. Couple questions regarding the supply side. And can you guys talk about maybe in supply and demand balance by region a little bit here, where do you see surpluses, where do you see deficits? And are you also looking to increase your supply by tapping into professional hosts? I know 90% are individual or even hotel supply.

And also, secondly, what are the key frictions that you're seeing right now for your hosts signing up? And that you're looking to address with these new tools you're about to introduce? Thanks.

**Brian Chesky**

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

A

Yeah, Dave, you want to take supply and demand? I can probably take the increase in pro hosts and key friction.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sounds good. Yeah, on the supply and demand, really what we're seeing because cross-border and urban travel has not yet fully rebounded, the places that we're seeing surpluses or deficits in demand, we're in a surplus of supply would be more urban markets. And where we can see some tightening of it, especially US non-urban for the peak of the summer, is clearly going to be some of the most constrained of our markets. So we're actively working against each of those areas, but on each side.

On the supply side making sure that we are doing our best to recruit hosts and bring on as much supply as possible for peak periods in constrained markets. And then we're also using – go back to our marketing expenses before where we use search engine marketing is in targeted approach, especially in markets where we have maybe surplus supply and not maybe enough demand. And so being kind of point it at that. So we look at every individual market as different, and we will use different levers to try to manage that balance over time.

**Brian Chesky**

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

A

Yeah. And, James, why don't I jump in and say that one of the things that Dave just said I want to put an underline under, highlight.

Before the pandemic, most people came to Airbnb, and they knew exactly where they were going. And they knew when they were going. So we asked a question in the search bar, where are you going? And we asked them, when are you going? You put in dates.

The holy grail for matching supply and demand is to be able to also control where you can point demand. But we can't point demand to where we have supply if guests aren't flexible, if they're predisposed to where they want to travel. Now that guests are telling us that they're much more flexible about where they travel, we can point demand to where we have supply. This is probably one of the most important things we have, and it explains why when 90 million searches were used with the Flexible Dates feature, conversion rates went up. So that is just another thing I want to underline.

Now regarding your next two questions, let's talk about pro hosts and hotels. Obviously, Airbnb created a new category in travel because we created tools that allowed everyday people and individuals to become hosts. And, yes, out of 4 million hosts, 3.5 million are individuals. That being said, we welcome all hospitality providers on Airbnb, and we have hundreds of thousands of professional hosts and professional hospitality providers.

The way we think about it is when a guest comes to Airbnb, they're looking for a place to stay, and so we don't want them to leave without having found something they want. Typically, they come to look for individual hosts. That's what we're known for. But we want to make sure that we have professional hosts and hotels to serve those customers and to fill in our network gaps. So we're continuing to develop new tools and services over the coming years to continue to welcome these providers on to our platform, and I think they're going to obviously benefit from all the demand that we have.

Now as far as key frictions to becoming a host, one of the things we've seen, probably the main learning we've had, is as you make it easier more people do it. That's the name of the game. Make it easier, more people do it. Before Airbnb, it was really hard to rent your home on the internet. People did it, which was just hard. And we made it easier.

And on May 24, we're going to show a number of tools, a number of offerings and innovations that we have that are going to make hosting even easier. We're reducing number of steps to become hosts, we're making it even easier by providing more tools and support, and we're going to offer some better tools and services for our hosts once they become hosts.

And so I think all these things will reduce the number of frictions as well.

**James Lee**

*Analyst, Mizuho Securities USA LLC*

Q

Great. If I can ask follow-up questions also on the host side, too, are you seeing increased competition for acquiring hosts and maybe potentially pressure on your take rate? Thanks.

**Brian Chesky**

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

A

Dave, do you want to take this one?

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sure. Right now, what we're seeing is – remember, kind of step back to what our hosts are. We have 4 million hosts around the world. The vast majority of those are individual hosts. So 3.5 million of those are individual hosts. And I think that's very different than what we see kind of competitive platforms are doing. And so what we end up seeing with the 4 million hosts that we have is – give me the last part of the question. Sorry. I lost my train of thought.

**James Lee**

*Analyst, Mizuho Securities USA LLC*

Q

Yeah, increased competition for hosts and maybe potentially pressure on take rates.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah. No, the question on the take rate, right now we're not seeing the pressure on take rate. We think that we have a really great value to the take rate that we give. We charge rates that give good value to both our guests and our hosts. And what we see on the take rate side is making sure that when we give value back to our hosts that then we're able to take kind of appropriate revenue from that. So we're not really seeing any pressure of that driving for increasing or decreasing the number of hosts that we have on Airbnb.

**James Lee**

*Analyst, Mizuho Securities USA LLC*

Q

Okay. Thank you.

**Operator:** [Operator Instructions] And your next 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 is on the 2020 new users that you added. It was a great year to sort of add a lot of new users to the platform, but curious to hear about what you're seeing from those new

users from a retention or booking perspective now that you're in 2021. And how that compares to what you've seen in the user cohorts in the past?

And the second one, to go a little bit more into the monetization of the take rate, can you just talk to us about any of the tests or experiments you've been doing around insurance or ancillary service sales or tiered take rates or sponsored listings and ways we can think about that take rate potentially adjusting over time for more services to your hosts or guests? Thanks.

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**Brian Chesky**

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

A

Yeah, thank you very much, Brian. Dave, why don't I take the second question monetization, take rate?

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**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sure.

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**Brian Chesky**

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

A

But why don't you take the question on new users?

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**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sure.

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**Brian Chesky**

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

A

What are we seeing from new users from retention and booking?

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**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah, so what we're seeing for new users, it's early. But all the early data for the new users that we've acquired here during 2020 is that the retention is very consistent with what we had for users in 2019 and before. So I think one of the benefits that we've seen in 2020 is just we've actually been able to lower the barrier for entry for new guests to kind of come to Airbnb and try us out for the first time.

You don't have to hop on a plane. You don't have to go across a border. As we said, over 50% of our nights historically have been cross-border. You don't have to do that to try Airbnb. Now you can kind of drive just a couple hours down the road and go check us out. And what we're seeing from the early results is that the retention rates are very consistent with what we've seen in the past.

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**Brian Chesky**

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

A

And then on, Brian, to your question about monetization and take rate, we absolutely see lots of opportunity to increase our monetization and take rate for both guests and hosts. For example, one of the things we've said is that many of these tools and services we've offered in the last five years, they're incremental, we haven't charged for.

For example, unlike our competitors, we offer free protection of \$1 million against theft, property damage, and personal liability in countries all over the world. And as we added these services, we do not charge incrementally for these. Our general principle is we always want to give away more value than we're taking. But we do think there's opportunities for us to offer some more tools and services to increase take rate.

Now, that being said, focus is critical, and we are focused on the most perishable opportunity. The most perishable opportunity right now is to capture as much travel demand as possible and be ready before anyone else is for this travel rebound. So we are making sure that we have enough hosts for this travel season. We simplified the guest experience, and we're providing world-class support. So that's what we're focused on this year. But make no mistake, we have many opportunities in the years ahead.

**Brian Nowak**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. Thank you, both.

**Operator:** And your next question comes from Mark Mahaney with ISI.

**Mark S. F. Mahaney**

*Analyst, Evercore ISI*

Q

Okay. I'll stick with one question. Just on the supply side, will you address the issue of whether increasing local restrictions is a factor that's limiting your supply, especially in new city – in some of the larger cities? And I realize that travel hasn't really recovered there fully. But just address the issue over there, how much of a constraint new local regulations on rentals, et cetera, is on your ability to expand supply? Thanks a lot.

**Brian Chesky**

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

A

Yeah, I can take this at a high level. Dave, you can feel free to jump in as well. Mark, thanks for the question. What we saw with COVID was actually a positive reset in our relationship with cities all over the world.

Now, first let me just start by saying we now collect/remit taxes in 30,000 jurisdictions. We've collected and remitted to date \$2.6 billion of transient occupancy taxes. What happened with COVID is two things. Number one, travel went from being concentrated in very few top cities to distributing everywhere, thousand cities around the world.

Though we do see an urban recovery, we don't see that trend completely reversing because, I think, in a sense, you could say that the genie is out of the bottle. A number of people have realized that there's all these really cool small towns, rural communities and small cities, many of which don't even have hotels. And so they're really important destinations.

The other thing that we've noticed though is that a lot of cities have been hit really hard by the devastating economic effects of the pandemic. So you'll see major cities have had major tourism shortfalls, major tax shortfalls. And because of this, what we have actually seen is a lot of cities reaching out to us.

In fact, we've struck over 100 partnerships over the course of just the pandemic with destination marketing organizations, which as you know are basically tourism bureaus and tourism arms. From Scotland to Portland, we've been doing partnerships with cities all over the world. And to scale our partnerships to thousands of cities,

we launched last year the City Portal as well. So this is what we're seeing. I don't know, Dave, if you want to add anything to that.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

I think that's key. We also have added this new capability last year of the City Portal, which is another tool to enable cities to understand what goes on with our business in each of their communities. And we think that's been another positive tool for cities to feel like they can work with Airbnb to help their economies rebound.

**Mark S. F. Mahaney**

*Analyst, Evercore ISI*

Q

Okay. Thanks, Brian. Thanks, Dave.

**Brian Chesky**

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

A

Thanks, Mark.

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

**Jed Kelly**

*Analyst, Oppenheimer & Co., Inc.*

Q

Hey. Great. Thanks for taking my questions. I guess, Brian, going back to business travel, I guess it's kind of like a two-part question. I guess number one would be where are you in terms of talking to companies, talking to businesses, sort of making the ability to work from anywhere through Airbnb a benefit?

And then as like a follow-up, you mentioned work from anywhere. Your company is, of course, based in San Francisco. So how do you see basically potentially using the work from anywhere trends to sort of save costs and make your business more efficient if you can have more employees working outside the Bay Area? Thank you.

**Brian Chesky**

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

A

Yeah, these are two really good questions. Let me start with the first one. So as you point out, and as I said, one of the trends that has been pretty remarkable over the last year is as more people have more flexibility, they can work from home, and that means they can work from any home often on Airbnb.

And so one of the things we're doing is we're continually trying to make it even easier for guests to be able to search anywhere around the world and on May 24, we're going to show you some new tools and new ways to make the experience of searching on Airbnb, especially allowing you to search with more flexibility even easier. Again, the type of flexibility we're looking at is people staying longer, booking any time, and they only go anywhere, not just to the same top destinations. So we are going to continue to look at innovation in this area.

And I think the other thing I would just point out is, again, in 2019, only 14% of our nights booked were longer than 28 days. That's now 24%. And so we think this is a huge growth area for us. We think basically a quarter of our business is not even travel anymore. There is a lot of innovation opportunities for us. We're a design-led company at our heart, and I think that we're going to offer a lot of really interesting opportunities.

Now, specific to our San Francisco employee base, let me talk a little bit about what I told our employees a couple weeks ago. I told them there's two guiding principles. Number one, we want to model the live anywhere lifestyle. So by modeling the anywhere lifestyle, we're going to allow more flexibility for our employees.

So I told our employees they don't have to come back to the office until next September. We're going to allow a lot of flexibility. And even when we do ask people to come back, they're going to have a lot more flexibility before. People aren't going to be expected to come back to the office five days a week, every week. We think that is really not how most workplaces in the 21st century are going to operate.

That being said, as a creativity-led company, we also do things that in-person collaboration is important. So we want to find some balance between what modeling the live anywhere lifestyle and allowing for in-person creative collaboration and that's what we're designing. We want to get it right. We don't want to rush into this so that's we're going to be working on over the course of the next year.

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**Jed Kelly**

*Analyst, Oppenheimer & Co., Inc.*



Thank you.

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

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**Justin Patterson**

*Analyst, KeyBanc Capital Markets Inc.*



Congrats. Thank you very much. Brian, just extending on the prior question, it does sound like this platform experience update is really designed around inspiration and discovery. Without spoiling your announcement on the 24, I'm curious about how you think about the opportunity to broaden the funnel on Airbnb, provide inspiration for travelers as they think about places to stay and things to do such that, Airbnb really starts to drive that initial inspiration and just have a much broader [indiscernible] (43:04) before. Thanks.

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**Brian Chesky**

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



Thank you, Justin. It was a little bit hard for me to hear you, but I think the question was what are we doing to drive more inspiration and discovery on Airbnb, inspiring where you can go and what you can do. Correct? I just want to make sure. I couldn't hear the last end of that last question.

Okay. I'll answer that. So inspiration is something that we're really focused on. Actually, if you go to [airbnb.com](https://airbnb.com) right now, if you type in [airbnb.com](https://airbnb.com), you're going to notice on our top of our home page there's a big piece of art and it says The Greatest Outdoors. So we just launched wish-lists that are curated by Airbnb, and if you click on Get Inspired, you're going to see a number of wish-lists. So this is just the beginning of a number of things we're doing to try to inspire more travel.

On the home page below that, you're going to see that we're now merchandising places you can go nearby so between wish-lists, nearby travel and then some of the updates we have on May 24, I think that's going to continue to drive more and more inspiration. On May 24, though, we are going to showcase some new exciting features that I think are going to inspire people around flexibility.

Because one of the things we've seen is if you are more flexible about where you travel and when you travel, then what that kind of means for some people is the home becomes a destination. Suddenly, where you go is less

important than the type of home you stay in. And so this is how we're thinking about it, and hopefully if you can tune in, we can show you some of the things we're working on.

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

**Lloyd Walmsley**

*Analyst, Deutsche Bank Securities, Inc.*

Q

Thanks. Two questions, if I can. First, can you talk about how you think about occupancy rates or kind of room nights per active listing over the medium term? It seems like it's been pretty stable over the past few years, but wondering if this notion of like blending of travel and living is kind of increasing shoulder season demand in a way where you can grow room nights in excess of listings or get more out of your existing listings.

And then the second one, the average booking value per night looked really high in 1Q. If you peel back the onion and look within the same region, the same property type, are you seeing pricing up? Or is most of this just mix shift? And how do you think about this maybe as travel normalizes a bit? How would that impact ADRs going forward?

**Brian Chesky**

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

A

Great, Lloyd. So I'll take the first question on occupancy rates. Dave, you can take the second one.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Great.

**Brian Chesky**

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

A

The answer to your question is yes. Occupancy rates we think average on a global level will go up as we get better at matching supply and demand. The basic name of the game is in classic travel, a lot of people try to go to the same place on the same date. That's why kind of when you show up to Paris in the summer, and there's a whole bunch of people in line at a landmark, it's because they're all going to the same place at the same time.

So to increase occupancy rates, there's one of two things we can do. We can add more hosts to the same places that everyone is going to, or we can point demand to other places. And as length of stay increases, as people shift from going to 20 or 30 cities to thousands of communities, and as people become more flexible when they travel, we can then show them deals.

We can show them, for example, I know you want to go to – we'll make up the place, France in July, but if you went in September, you could save a lot of money because there's fewer people there. Or we can point you instead of – in Paris, we can point you to Brittany or some other community.

So there's a lot of opportunities for us, I think, to point demand to where we have available supply, which will allow us to steadily increase occupancy. So what it means is we don't need to increase supply linearly with increasing revenue. We can get more productivity out of the supply that we have.

And, Dave, I don't know if you want to take the ADR.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah. And our ADRs in Q1 were up 35% year-over-year. That was after being up 13% year-over-year in Q4. The significant majority driver of the ADR increase is driven by mix. The rebound has been earlier in the US, which has a higher average daily rate. It's been in non-urban whole home and even larger homes, and each one of those is just on average a higher ADR.

So the majority of the ADR that we're seeing is from mix. When we actually look at some highly constrained markets in a highly constrained time period, we're seeing some pricing pressure within there that will drive ADR rates up, but the vast majority of it is just driven by mix.

**Brian Chesky**

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

A

And the other thing I want to say again is

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Yeah.

**Brian Chesky**

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

A

Yeah. Another thing I'd just say is as demand increases on Airbnb, that can also correspondingly increase supply. So, again, one of the things we published in our S-1 was 23% of our new available hosts in 2019 were guests. That increased to 28% of our new available hosts that started out as guests in Airbnb in 2020. So we also think there's a really interesting flywheel where we can point demand where we have supply. We have a muscle to continue to add hosts, but we can also convert guests to hosts. And as that number keeps increasing, that's another big lever for us.

**Lloyd Walmsley**

*Analyst, Deutsche Bank Securities, Inc.*

Q

Got it. Thank you.

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

**Brent Thill**

*Analyst, Jefferies LLC*

Q

Dave, I don't know any color you can add around the final unlock that comes over the next week of close to 500 million shares. I know not all of those are eligible, but is there any way you could just frame that? There's been some fear of this unlock and what it means. Any color around that you could give would be helpful.

**Brian Chesky**

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

A

Yeah, Dave, you want to take that?

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sure. So, clearly, our unlock comes on Monday, and the key thing that we're doing to try to make sure that we're ready for the unlock is to do what we've been doing, which is deliver outstanding results, deliver outsized kind of gross booking value, revenue and driving for profitability. So there's not a lot more color I can give you on the unlock on Monday beyond that.

**Brent Thill**

*Analyst, Jefferies LLC*

Q

Okay. Thank you.

**Operator:** And your next question comes from Brian Fitzgerald with Wells Fargo.

**Brian Fitzgerald**

*Analyst, Wells Fargo Securities LLC*

Q

Thank you, guys. We wanted to ask if you could tell us what you're seeing with respect to Experiences, supply dynamics there, online versus offline, linkages to travel, conversion rates there, anything with Experiences?

**Brian Chesky**

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

A

Yeah, thank you very much for the question. So here's what I'd say about Experiences. When we came back in the beginning of 2020, I really thought Experiences will be a breakout year last year. It turns out a pandemic was a very difficult year for Experiences. We had to products on hold. We remain very, very bullish about Experiences over the long term. One of the reasons we remain bullish is because the percent of guests that leave a five-star review with Experiences is higher and remains higher than percent of guests leave a five-star review for homes.

But the pandemic was a difficult time for Experiences. So we launched online experiences, which is the way to have an experience without leaving your living room. And I am thinking that in the coming years, Experiences will be successful because there's fewer alternatives. There's fewer mass tour operators, bars, lounges and restaurants that are going to be operating at full capacity. So we do think there's a window. But we're playing the long game on this one.

**Brian Fitzgerald**

*Analyst, Wells Fargo Securities LLC*

Q

Thanks, Brian.

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

**Stephen Ju**

*Analyst, Credit Suisse Securities (USA) LLC*

Q

Okay. Thanks. So, Brian, I asked the same question to one of your competitors last week. So I'd be interested in your opinion of what is probably more of a macro consideration. So the consumer savings rate, at least in the United States, is probably at the highest level it's been since World War II.

And it will take some time for all of this to wind down to, I guess, normalized levels, which brings up the scenario of consumer spend probably accelerating for the next several years. And hopefully, one of the likely destinations for all of these dollars is going to be in travel. So I know it's early days of the recovery, but what are you seeing in terms of, I guess, greater willingness to maybe, say, upgrade to the more expensive Airbnb? Or just in general stepping up in the frequency as we recover here? Thanks.

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**Brian Chesky**

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

A

Yeah, very good question, Stephen. Let me tell you what we're seeing so far. One of the things is we did travel surveys in the beginning of the year. And we surveyed people in the United States. We also surveyed people around the world. And in our surveys, what we found is that the out-of-home activity people miss the most more than restaurants, more than bars, more than sporting events, more than concerts, was travel.

The kind of travel people miss was not business travel. It was not mass travel going to crowded destinations. It was really just spending time with people that they have not been able to see during the pandemic. I think that we generally just yearn for what was taken away from us, and travel and spending time with people was something that was taken away from us.

Now with regards to your question about are we seeing people upgrading, we have seen, as we mentioned, a material increase in the average daily rate in the United States. And this does give us a sense of consumer willingness to spend. Maybe another way of saying it is maybe before the pandemic, people were booking studio apartments in cities. Now what we're seeing is a pretty big expansion of people booking entire homes, typically even more bedrooms.

The number of guests per reservation has increased considerably. And so correspondingly, people are spending more money. I think that trend, of course, will get normalized over some period of time when other geographies recover and urban recovers. But I do think that we are going to see sustained confidence. That's no question.

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**Stephen Ju**

*Analyst, Credit Suisse Securities (USA) LLC*

Q

Thank you.

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**Operator:** And your next question comes from Deepak Mathivanan with Wolfe Research.

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**Deepak Mathivanan**

*Analyst, Wolfe Research, LLC*

Q

Hey, guys. Thanks for taking the questions. Just a couple quick ones. So, first, can you talk about the implications of booking window trends on second quarter and second half? It feels like there's a lot of summer bookings happening right now already in markets like Europe, and even in North America. Is that earlier than usual? Or does that mean that the recovery is being pulled forward by some capacity? Just wondering if you can provide some insights on that.

And then second question, not sure if this was asked already. How are you thinking about the ROI on the targeted digital marketing programs aimed at hosts? Are these on performance channels? Any color that you can add there would be great.

**Brian Chesky**

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

Yeah, Dave, why don't you take these two questions.

A

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

Sure. So regarding the booking window, we're seeing the booking window, obviously, in 2020, shrank dramatically, right. People were hesitant to travel. They only started booking when they have high confidence that they were going to travel or we've seen here early in Q1 of 2021 is that booking windows have expanded and in March, we actually saw booking windows consistent with those from March of 2019. So the windows are expanding. I think that what you're seeing is still even more confidence in the US so the willingness of travel and the booking window in the US has expanded further than it has in Europe.

A

But we're starting to see some greater acceleration of our European business. We're seeing the European nights increasing, the rate of year-over-year growth every month of the year since the beginning of the year including through April and May. And we're seeing that as things like the lockdowns in France are removed and after the UK prime minister announced plans to exit lockdown in February, we started seeing more acceleration in Europe. So the booking window trends are positive and give us encouragement for what we're going to see in the back half of the year. But we'll just have to see what the lockdowns and other kind of travel restrictions look like for Europe in the back half.

And then regarding the ROI and targeted digital marketing for hosts, this is one of the levers that we have when we do targeted digital marketing for hosts. It would be in specific areas that we know are more supply constrained, and where we want to focus on it, we establish a return on that investment for the value of the host that we acquired through that channel. And it is one channel, but it's not the only one. It's not the primary one. Again, the most important thing is trying to step back and educate people about the benefits of hosting and then make it easier for them to host once they start considering it.

**Deepak Mathivanan**

*Analyst, Wolfe Research, LLC*

Got it. Okay. Thanks, Dave.

Q

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

**Kevin Kopelman**

*Analyst, Cowen and Company*

Great. Thanks. As a quick one. Could you give us an update on cancellation rate trends this year compared to 2019 with I think the average listing being a little bit more flexible than it was in the past? Thanks.

Q

**Brian Chesky**

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

You're welcome. Dave, you want to take this one for Kevin?

A

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sure. So the cancellation rates, obviously, were substantially elevated in 2020 versus 2019. They've begun to moderate so that they are substantially below where they were at in 2020. But they're still moderately elevated versus the 2019 rates. So we're seeing a bit more return to normal but it's not quite historical normal rates.

**Kevin Kopelman**

*Analyst, Cowen and Company*

Q

Perfect. Thanks, Dave. Thanks, Brian.

**Brian Chesky**

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

A

Thank you.

**Operator:** And your next question comes from Tom White with D.A. Davidson.

**Tom White**

*Analyst, D.A. Davidson & Co.*

Q

Great. Thanks for taking my question. Just one for me. To follow up on ADRs and specifically your expectations for the second half, I know there's some color in the letter but can you maybe unpack your thoughts on all the different moving pieces there between the recovery and some of the structurally lower ADR markets recovering urban and cross-border? Just curious to hear your thoughts on how it all nets out you think in the back half.

**Brian Chesky**

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

A

Thanks, Tom. Dave, I'll give you this one.

**Dave Stephenson**

*Chief Financial Officer, Airbnb, Inc.*

A

Sure. Yeah, I think that the best thing to do is actually kind of look at some of the guidance figures that we gave in the earnings call itself, where we're basically expecting – because it's harder to have visibility in the back half of the year. We're highly confident in the rebound, but it's going to be coming all the early indications are that it's there, but I think it's hard to kind of precisely pin down what Q3 and Q4 are going to do.

So what we did do is give some perspective on what we expect out of Q2. And that is that our gross booking value in Q2 of this year will be higher than in Q2 of 2019. And that our revenue rate in Q2 will be similar to that of 2019. And that our adjusted EBITDA will be breakeven to slightly positive in Q2 of this year.

So I think those are kind of the key things. Because as you said, as rebound comes back, the pace at which it comes back and the geographies it come back will all affect the mix of those ADRs, and we do expect the ADRs to moderate but it's hard to perfectly pinpoint down the specific of that mix.

**Tom White**

*Analyst, D.A. Davidson & Co.*

Q

Okay. Thanks, guys.

**Operator:** I will now turn the call back over to the management team for closing remarks.

## Brian Chesky

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

All right. Well, thank you, everyone, for joining us today. I just wanted to recap. We are really proud of our strong Q1 results. We believe they're a testament to our focus and the adaptability of our model. And we've shown over the past year that as the world changes, Airbnb can adapt. I think we're now well-positioned for the travel rebound ahead. As travel returns, Airbnb will be ready, and our hosts will be ready as well.

So I hope you'll join us on May 24 where we'll share insights on how travel is fundamentally changing and announce the most comprehensive update to Airbnb's service in 12 years. Thank you, and we'll see you then.

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**Operator:** This concludes today's conference call. You may now disconnect.

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