12-Feb-2026

Airbnb, Inc. (ABNB)

Q4 2025 Earnings Call

CORPORATE PARTICIPANTS

Andrew T. Slabin
Vice President-Investor Relations, Airbnb, Inc.

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

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.

OTHER PARTICIPANTS

Richard J. Clarke
Analyst, AB Bernstein

John Colantuoni
Analyst, Jefferies LLC

Lee Horowitz
Analyst, Deutsche Bank Research

Brian Nowak
Analyst, Morgan Stanley & Co. LLC

Dae Lee
Analyst, JPMorgan Securities LLC

Lloyd Walmsley
Analyst, Mizuho Securities USA LLC

Stephen Ju
Analyst, UBS Securities LLC

Justin Post
Analyst, BofA Securities, Inc.

Mark Mahaney
Analyst, Evercore ISI

Jed Kelly
Analyst, Oppenheimer & Co., Inc.

Kevin Kopelman
Analyst, TD Cowen

Kenneth James Gawrelski
Analyst, Wells Fargo & Co.

MANAGEMENT DISCUSSION SECTION

Operator: Good afternoon, and thank you for joining Airbnb's Earnings Conference Call for the Fourth Quarter of 2025. 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 Andrew Slabin, Vice President of Investor Relations. Please go ahead.

Andrew T. Slabin

Vice President-Investor Relations, Airbnb, Inc.

Good afternoon, and welcome to Airbnb's fourth quarter of 2025 earnings call. Thank you for joining us today. On the call, we have Airbnb's Co-Founder and CEO, Brian Chesky; and our Chief Financial Officer, Ellie Mertz.

Earlier today, we issued a shareholder letter with our financial results and commentary for our fourth quarter of 2025. These items are also posted on the Investor Relations section of Airbnb's website. During the call, we'll provide some brief opening remarks and then spend the remainder of 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 most recent filings with the Securities and Exchange Commission. 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'm pleased to turn the call over to Brian.

Brian Chesky

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

All right. Thank you, Andrew, and good afternoon, everyone. Thanks for joining. I'm going to start with a quick recap of our Q4 results. And then I'm going to spend a little more time on what's driving them, because that's really where the story is.

Now, in Q4, we delivered strong results across the board. Revenue grew 12% year-over-year to $2.8 billion, exceeding the high end of our guidance. Gross booking value grew 16% year-over-year to $20.4 billion. This was our highest growth quarter in more than two years. Nights and seats booked grew 10%. Our strongest quarter of the year. But what matters most is the momentum that we're gaining.

In the marketplace, reaccelerating growth isn't as simple as stepping on the gas pedal. It's more like turning a cruise ship. It takes time and discipline, and you don't always see it from one quarter to the next. The acceleration that you're seeing didn't happen by accident. It's a result of a deliberate path we've been on for the past few years.

So let me walk you through it. Airbnb grew incredibly quickly in the years leading up to our IPO, faster than we ever imagined. We were like a company built to be a two-story house. But when we went public, we want to keep building, but you can't add 10 floors to a house that wasn't designed for it. You need a stronger foundation. So we rebuilt our tech platform. We rebuilt the app tab-by-tab. And over the last few years, we improved nearly every part of the guest and host experience.

But rebuilding the foundation wasn't enough. We also need to innovate faster. Now, when I look back at what drove Airbnb's early success, it wasn't just the idea. It was how we worked. In the early days, Joe, Nate and I would sit in our apartment and obsess over every detail. We'd ship something, learn quickly and double down on what worked. That cycle, focus, ship, learn, scale is what compounded our initial growth.

As companies grow, they often lose that speed and focus. So two years ago, we made a deliberate decision. We are going to recreate the same innovation formula inside Airbnb, but at a global scale. We called it Project Y. We created a small lead team and gave them a really clear mandate: make it easier to find and book a home on Airbnb. We started with the little things that make booking hard than it needed to be, simple improvements like better search filters and small tweaks to the booking flow.

When those changes worked, we went bigger. We improved how we convert high-intent visitors into long-term users using simple web prompts to drive more app downloads. We made search more flexible, helping guests discover homes they wouldn't have seen before. That drove an even greater impact. Eventually, we tackled bigger opportunities like completely redesigning the checkout flow to make bookings simpler and more intuitive.

Now, these are just a few of the hundreds of improvements the team shipped, driving hundreds of millions of dollars in revenue in 2025 alone. And we believe Project Y will deliver hundreds of millions more this year.

Now once we saw this blueprint work, we began applying it across the company. So what I want to do is highlight four areas where the Y innovation model is driving growth. The first is pricing. Hidden fees are one of the biggest friction points in travel. So we created a pricing team with a clear goal: make pricing simple and more transparent. The first major step was showing the total price upfront to guests. In the US, we are the first major travel platform to do this. But price transparency was just the beginning.

We launched dozens more updates from more flexible cancellation policies to better pricing tools for host. These changes stacked. Then we made the biggest move of all, Reserve Now, Pay Later. For the first time, guests in the US could book eligible stays paying zero dollars upfront. The response was immediate, driving booking acceleration in Q4, especially for larger high-priced homes. We're now expanding this to new markets and is a key part of the strength we're seeing in Q1.

Now we believe that pricing initiatives will drive as much revenue this year as Y and will remain a strong tailwind for years to come.

Next up, supply. Most of our supply growth was organic with hosts coming directly to us, but we also built a supply engine that lets us be surgical about where we grow. And the best example is how we lean into large events. For example, in Paris, we added over 40,000 listings for the 2024 Summer Olympics. Now, we're repeating that same playbook for the biggest event on Earth, the 2026 FIFA World Cup across 16 cities in North America.

At the same time, we're also improving quality. We've removed over 0.5 million low-quality listings. While Guest Favorites, the very best listings at Airbnb, grew 30% in 2025 compared to 2024. And in Q4, Guest Favorites made up nearly half of all bookings on Airbnb.

We also applied the Y model in international growth. Airbnb operates in nearly every country in the world, but roughly 70% of our revenue comes from just five countries. Now that's a massive opportunity, and we're unlocking it by going deep in a small number of priority countries. And Brazil is a great example.

A few years ago, Brazil was a smaller market for us, so we put a focused team on it. We introduced features that we know matter to the Brazilian market like interest repayments or local payment methods, and we leaned into cultural moments like Carnival. We also invested in local campaigns to build relevance. The results have been incredible. Brazil moved from a top 10 market to a top five market on Airbnb. In Q4, it was our second largest contributor to first-time bookers, behind only the US. This shows what happens when you pair global scale with local execution, and we're applying the same playbook to our highest priority countries in every region.

Finally, we're applying the Y model to new businesses. We launched services/experiences globally in May, but to better scale them, we're taking a city-by-city approach. We're going deep in one place, reaching product market fit and expanding from there. We started with Paris for experiences and LA for services, and we're really seeing great results. We're also starting to test new services like grocery delivery and airport pickups to make each trip better from the very beginning. And to capture even more trips, we're bringing boutique and independent hotels onto the platform, so that no matter what kind of stay a guest wants, they can always find it on Airbnb. Now it's still early, but the opportunity with hotels is massive, and we plan to share more about our approach later this year.

But the big idea here isn't just building a bunch of stand-alone businesses. These are all part of a much larger vision, the Airbnb trip. We are one app and one brand, where every part of the trip makes the other parts stronger. There are multiple entry points into Airbnb and multiple ways to drive more bookings. A guest might book a service or experience, then discover a home for the trip. Or they might book a hotel for a business trip, then come back to Airbnb to book a home for a family vacation. Each part of the trip reinforces the others.

The final piece that accelerates everything we do is AI. Now we've taken a really intentional path here. While other companies rushed to build chatbots into the existing apps, we started by solving the hardest problem, customer support. We built a custom AI agent trained on millions of our support interactions. It's already resolving a third of the support issues without needing a live specialist, and resolution times are significantly faster. It's live across North America, and we're planning to roll it out globally.

But that's just the beginning. Because we're building an AI-native experience where the app doesn't just search for you, it knows you. It will help guests plan their entire trip, help hosts better run their businesses and help the company operate more efficiently at scale. That's the big reason we brought in Ahmad Al-Dahle as our CTO. Ahmad is one of the world's leading AI expert. He spent 16 years at Apple and most recently led the generative AI team at Meta that built the Llama model. He's an expert at pairing massive technical scale with world-class design, which is exactly how we're going to transform the Airbnb experience.

This approach is also our strongest defense against disremediation (sic) [disintermediation]. A chatbot can give you a list of homes, but it can't give you the unique points you find on Airbnb. At chatbot doesn't have our 200 million verified identities or our 500 million proprietary reviews. And it can't message the hosts, which 90% of our guests do. It can't provide global payment processing, customer support or insurance. By layering AI over the entire Airbnb experience, we believe we're building something that's impossible to replicate.

So you can see why we're so excited about the year ahead, and our guidance reflects that. We expect revenue growth to accelerate to at least low-double digits in 2026. We expect adjusted EBITDA margin to be stable year-over-year. And we'll do all of this without investing billions or tens of billions of dollars. We don't need massive capital investment to grow. We don't own homes, we don't operate experiences, and we're not building data centers. What we're doing is finding small wins and scaling them profitably. That's why we've been able to generate free cash flow at nearly 40% of revenue and nearly $19 billion of cumulative free cash flow since our IPO. It gives us the ability to reinvest back in our business, while strengthening our balance sheet and maintaining healthy margins.

Now, as we look ahead to 2026, we can't predict every quarter with precision. Travel is influenced by everything from currency to macroeconomic conditions to global events. But what we can control is the speed of our innovation. In the long run, that's what leads to more growth.

So, in summary, we rebuilt major parts of the company. We adopted a new blueprint for innovation. And now we're seeing increased momentum. That doesn't happen by accident. It's a result of an incredible team rowing in the same direction at global scale. So, to everyone the Airbnb team is listening, thank you. The business is stronger because of you.

With that, I'll turn it over to Ellie to walk through the financials in more detail.

Ellie Mertz

Chief Financial Officer, Airbnb, Inc.

Thanks, Brian, and good afternoon, everyone. As Brian just shared, we're seeing increased momentum in our business. I'll start with Q4 financial results, and then I'll cover our outlook for Q1 and the full year 2026.

Q4 was a great quarter for Airbnb. Gross booking value grew 16% year-over-year to $20.4 billion, driven by strong growth in both bookings and price. Nights and seats booked increased 10% year-over-year, an acceleration from Q3, with strength seen across all regions. By region, Latin America grew in the high-teens; Asia Pacific grew in the mid-teens; EMEA accelerated in the high-single digits; and North America grew in the mid-single digits.

Now, going into the quarter, we expected a tough comp, given the particularly strong Q4 in 2024. And as the quarter played out, we saw a slightly better macroeconomic environment than anticipated. But more importantly, our product road map delivered material lift to the business. As Brian shared, we've been steadily making it easier to find and book a home on Airbnb.

In Q4, a few updates, in particular, helped drive our acceleration: the launch of Reserve Now, Pay Later; updates to our cancellation policies; and the beginning of our migration to a simplified fee structure. Reserve Now, Pay Later saw significant adoption among eligible guests in Q4. It's also led to longer booking lead times and a mix shift towards larger entire homes, especially those with four or more bedrooms, contributing to the increase in ADR. And as Brian mentioned, given the positive results, we've decided to roll it out to more guests globally and to cross-border stays of the US.

Our updated cancellation policies and simplified fees also contributed to both nights and GBV growth in the quarter. As a reminder, beginning in October, we started simplifying our fee structure, which we believe will help our hosts price more competitively. We began migrating our API host to a single service fee, and now plan to migrate more hosts in 2026. Hosts on a single service fee can adjust their prices to maintain the same net earnings, while guests continue to see the full price upfront.

In total, we estimate these three features delivered over 200 basis points of growth in nights booked and roughly 300 basis points of growth in GBV in Q4. In 2026, we'll continue iterating to simplify pricing, improve transparency and help our hosts stay competitive.

Now, turning to our Q4 financials. Revenue was $2.8 billion, up 12% year-over-year and exceeded our guidance, driven by the impact of our product updates. In terms of profitability, we generated $786 million of adjusted EBITDA, representing a 28% adjusted EBITDA margin, also exceeding guidance. Finally, net income was $341 million and was negatively impacted by roughly $90 million of onetime non-income tax.

For 2025, our full-year effective tax rate was 20%, including onetime discrete items that increased our provision for income taxes in Q3. Now, starting in 2026, we expect the One Big Beautiful Bill Act to materially reduce our effective tax rate to the mid to high-teens, primarily due to how foreign earnings are taxed, which will benefit our consolidated earnings.

Next, to our balance sheet and cash flow. We continue to generate significant cash in Q4, delivering $521 million of free cash flow. In 2025, we generated $4.6 billion, representing a free cash flow margin of 38%. At the end of Q4, we had $11 billion of corporate cash and investments, as well as $7 billion of funds held on behalf of our guests.

Our strong balance sheet allowed us to repurchase $1.1 billion of our common stock in Q4, up from $857 million in Q3. And in 2025, we repurchased $3.8 billion of our common stock using over 80% of our free cash flow. Returning capital to shareholders remains a key component of our capital allocation strategy. Since introducing our share repurchase program in 2022, we've reduced our fully diluted share count by about 9%.

Now, let's shift to our Q1 and full-year 2026 outlook. We're encouraged by the momentum we've seen so far this year and excited about our road map to drive growth in 2026. In Q1, we expect to generate revenue of $2.59 billion to $2.63 billion, representing year-over-year growth of 14% to 16%. This includes an approximate 3-point FX tailwind after factoring in our hedging program.

We expect gross booking value to increase in the low-teens year-over-year, driven by high-single digit growth in nights and seats booked and a moderate increase in ADR due to price appreciation and FX. On profitability, we expect Q1 adjusted EBITDA margin to be approximately flat year-over-year. And for the full year 2026, we expect year-over-year revenue growth to accelerate to low-double digits, with an ambition to grow even faster than that.

While FX tailwinds should fade as the year progresses, we're encouraged by healthy demand and execution across our growth initiatives. We're also excited about major events this year, including the Winter Olympics happening now in Milan and the FIFA World Cup coming this summer. Cities continue to look to Airbnb to help meet demand around large events, and our global supply positions us well to support that demand.

Overall, we believe continued progress against our product optimization, pilots and new offerings, together with broader macro conditions, will support incremental growth in 2026.

And finally, across the full P&L, we're continuing to drive efficiencies in our platform. We plan to reinvest most of these efficiencies into marketing, product and technology to support our growth. As a result, we expect our 2026 adjusted EBITDA margin to be stable year-over-year.

And to close, 2025 was an exciting year and I'm incredibly proud of what the team delivered. We're carrying that momentum into 2026 with an ambitious set of goals. We'll continue strengthening our core business while accelerating innovation to drive growth.

And with that, I will open it up to Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. We will now begin the question-and-answer session. [Operator Instructions] Your first question comes from the line of Richard Clarke from Bernstein. Your line is open.

Richard J. Clarke
Analyst, AB Bernstein

Q

Hi. Good afternoon. I guess, AI is the topic du jour, and you gave some helpful remarks about why the AI bots today can't match what Airbnb do. But given the sort of speed of innovations going on, why do you think those AI platforms couldn't launch a short-term rental platform over time?

And maybe secondly, do you see any risks that you'll have to share your economics with a AI platform at some point going forward? Or do you expect you'll be able to retain the same level of direct traffic you have today in an AI world? Thanks.

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

A

Yeah. I mean, look, it's a great question. Let me start by saying this. The vast majority of what is Airbnb is not the app that you see. First of all, we have a whole host app, which is really critical. We built this over 18 years. We handle more than $100 billion in payments through the platform.

Customer service is one of the most difficult problems in Airbnb. We don't have SKUs. People, we need to adjudicate between people speaking different languages. We provide insurance and protection for everyone. We do a lot of verifications. 90% of people who book on Airbnb send a message. You can't send a message without a verified ID. We have 200 million verified IDs, which is more than US passports in circulation. The vast majority of our homes in our unique inventory is only on Airbnb. We're adding more offerings over time, and we think people are going to want to put them together into an itinerary that they could bring on in their phone with them when they're traveling.

I think these chatbot platforms are going to be very similar to search. They're going to be really good top-of-funnel discoveries. And in fact, what we've seen is I think they're going to be positive for Airbnb. And I'm very, very deep in this space. And what we see is that traffic that comes from chatbots converts at a higher rate than traffic that comes from Google.

But the other thing to know, and this is the most important point, is that these models are not proprietary. The models on ChatGPT, the models on Gemini, the models on Claude and the models like Kiwi are available to every single company. And so, pretty soon every company becomes an AI platform if they make the shift. We will be able to build everything everyone else will have if we use their models.

And we believe specialization will win in travel because if somebody wants to find an Airbnb or have a trip, we can take their model, the same model they used, and we can post-train it and tune it based on our millions of interactions. We can connect it to our customer support agent. We can connect it to our hosts. And that's fundamentally what we think.

It's why we've hired Ahmad Al-Dahle, one of the foremost leading experts in AI. Ahmad Al-Dahle, in fact, built one of the models. He built the Llama model. And we want to build a team to make our company much more of an AI-native company.

So I think that for chatbots or AI companies to win, we don't need to live in a world where everyone else has to lose. I don't think that one company is going to own everything. I think we're going to be able to work together. And these companies will be very helpful top-of-funnel traffic generators for Airbnb, just like Google was.

Operator: Your next question comes from the line of John Colantuoni from Jefferies. Your line is open.

John Colantuoni
Analyst, Jefferies LLC
Q

Okay. Great. Thanks for taking my questions. I wanted to ask one on Asia region. Nights growth was still strong at mid-teens, but did moderate from recent quarters. I know it's your smallest region, but I was hoping you could talk to what drove the slowdown and how you think about the growth opportunity in Asia Pacific over time.

And second, I was curious on the services and experiences, have you seen any signs that they're helping you acquire new customers that you can convert to accommodations, given that over half of your experiences weren't attached to an accommodation bookings? Thanks.

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.
A

Let me start with the Asia question. So when we look at our performance on APAC from a destination perspective, overall growth has been, I would say, relatively stable over the course of 2025. That being said, we see a tremendous amount of opportunity in terms of future growth for the region.

What I would say in terms of APAC is that, obviously, there is different pockets in terms of where we have seen substantial growth. As you're probably aware, we have relatively high levels of penetration in Australia, which factor into that number, whereas we're relatively nascent in some of the, I would say, continental countries in particular, places like India, Southeast Asia, Korea, et cetera.

What we shared in the letter is that we're seeing nights performance in those markets that we have begun focusing on. So in particular, what I would call out is domestic Japan. That's a market and a segment that we began our expansion playbook back in Q4 of 2024 and have seen some nice results. Second, I would call out India, which we mentioned in the letter, huge market where we are seeing really substantial growth, so 50% growth in the last quarter, very strong, and we see opportunities to accelerate that growth in 2026.

So the broad story on APAC is it is stable. We are seeing some very positive signs in particular markets that we're leaning into and it's the focus of our international markets expansion strategy going forward.

Second question, yes, I mean, what we've called out in terms of the dynamics of where we are finding the experience booking. The call-out in the letter that we provided is about 50% of our experience bookings today come from guests that are unattached to a home booking, meaning they are not already staying with us in a home and therefore attached to the trip an incremental experience. They may be staying in a hotel in that market. They may be not traveling at all.

And what I would say there is it's a very exciting opportunity for us in a couple of forms. One is it provides a new segment of guests that we can, in the future, convert to home guests. It also gives us signs that with these new products and offerings, we have the opportunity to have a higher frequency guest usage beyond just a big trip.

So, for example, something that we see in Paris is that there's been a really nice uptick in terms of, in particular, our Airbnb original experiences by local Parisian, which tells us that that category of inventory, albeit highly differentiated, is a great opportunity for us to attract local crowds to our app.

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

A

Yeah. I think one of the things that I called out in my opening remarks is that we're seeing a lot of momentum about getting new offerings off the ground and piloted. And our basic idea is it's not dissimilar from Amazon in the late 1990s where they started to book retailer. The unifying idea of Amazon, though, probably was the cardboard box, in other words, everything that you could send in a cardboard box. And so you could send all these different things, and they added one category after the other.

I think the unifying idea for me is the trip. And we take a very, by the way, broad definition of the trip, including 30-day stays and even longer. But there are so many different components that we can offer. And the basic idea is we want every new offering to be strong enough to stand alone, but better together.

And so hotel is a great example. There are some people that only stay in Airbnb. There are some people that only stay in hotels. Most people are willing to stay in both. And some trips are better in Airbnb and then some trips, if you need a last-minute stay, you're traveling for business, you're doing one night, it's really good for hotels. So we think that all these components can make the overall offering better. There's a lot of synergy.

Operator: Your next question comes from the line of Lee Horowitz from Deutsche Bank. Your line is open.

Lee Horowitz
Analyst, Deutsche Bank Research

Q

Great. Thanks so much. I guess, can you give us a sense of how Reserve Now, Pay Later, cancellations have been pacing relative to your expectations, perhaps particularly in the face of weather disruptions in the 1Q and then how you're thinking about baking in cancellation expectations to your full-year adjusted EBITDA guide?

And then secondly, in the past, you've talked about how AI search will preclude your deployment of sponsored ads. Can you maybe just unpack that a bit more and explain how AI search particularly may help you bring sponsored ads to market a bit more quickly? Thanks so much.

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.

A

Right. So, first, on the question of Reserve Now, Pay Later and the impact of cancellations, if we just back up for a moment, before we launched Reserve Now, Pay Later in the US back in summer of 2025, we extensively tested the product to ensure that by the time the cohorts opting into the product had reached their check-in date, that it was net beneficial to the business, meaning that the growth lift in bookings was larger than the net increase in cancellations before check in. We're doing that level of testing for each incremental segments. We are considering expanding Reserve Now, Pay Later out to ensure that the net benefit is, obviously, positive for the business.

What I should say is that in the segments that we have launched this offering, the cancellation curves have been very close to what we saw from a tested perspective. And so we feel, frankly, quite good about the progress and the performance of that offering.

In terms of its impact over the full year, obviously, there is a bit of a pull forward in terms of when people make their bookings, but we are already absorbing the elevated level of cancellations from that product. I think one piece of perspective is that, in terms of the aggregate nominal increase in cancellations rate, it's approximately 1%, so an average of maybe 16% cancellation rates historically going to 17%. It's obviously higher within the cohorts that chooses that product, but is not hugely material relative to the broader cancellations on the platform.

Final thing I would just note on Reserve Now, Pay Later, as we've called out, it has lengthened lead times, which we think is good from a competitive perspective. And second, it has a modestly positive impact in terms of increasing ADR, as consumers who don't need to extend a huge purchase on their credit cards are more likely to choose a slightly nicer listing.

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

Yeah. And then on the AI search and how it has impacted sponsored listings, I've been asked quite a few earnings calls about sponsored listings. And one of the things that's been really clear after the launch of ChatGPT was that traditional search was going to become essentially conversational AI search. And that what we wanted to do is really design AI search, really see how that works, and then if we are going to do sponsored listings, we design that ad unit in that form factor.

So we're focused, first and foremost, on the most perishable opportunity, which is AI search. Actually, funny enough, we are doing test as we speak. So AI search is live to a very small percent of traffic right now. We're doing a lot of experimentation. The way we do things with AI is much more rapid iteration, not big launches. And over time, we're going to be experimenting with making AI search more conversational, integrating it into more of the trip. And eventually, we will be looking at sponsored listings as a result of that. But we want to first nail AI search.

Operator: Your next question comes from the line of Brian Nowak from Morgan Stanley. Your line is open.

Brian Nowak Q
Analyst, Morgan Stanley & Co. LLC

Great. Thanks for taking my questions. Brian, maybe to go back to that last question on AI search. Maybe to ask you sort of another bigger picture one. As you sort of sit here in early 2026, if we're sitting here a year from now, what are the areas you're most focused on or seeing improvements to the platform using AI this year? That's one.

And then, two, maybe one just on the P&L impact. Any help at all on how you're thinking about the impact on gross margins from increased AI investment this year versus last year? Thanks.

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

Yeah. I can answer – actually, I can answer both of them, and I'll start with the second one. I think one of the great things about Airbnb is that we have a very, very cost-efficient innovation model. So unlike other companies, we're not building models. We do not have a huge CapEx cost base. So our investment in AI will not affect the P&L. I don't think you'll see it in the P&L. That's number one.

Number two, if a year from now, if we're successful with AI, would it be seen? I think three or four things. Number one, let's start with customer service. Right now, nearly 30% of tickets in North America that are English-based are handled by an AI agent. A year from now, if we're successful, significantly more than 30% of tickets will be handled by a customer service agent in many more languages, in all the languages where we have live agents. And AI customer service will not only be chat, it'll be voice. So you can actually call and talk to an AI agent.

We think this is going to be massive because not only does this reduce the cost base of Airbnb customer service, but the kind of quality of service is going to be a huge step change. Not only can you get responses in seconds, but the agents using AI are going to be significantly more productive. That's number one.

Number two, it's going to make our engineers and everyone at Airbnb significantly more efficient. More than 80% of engineers are now using AI tools. That soon will be 100%. But of course, that metric is a bit of a vanity metric. The real question is what's the culture of the company. Are you a start-up? Are you highly adaptable to the changing currents of AI? And I think Airbnb, certainly within our space, is the most adaptable. We are designed to adapt, to not move like a cruise ship, but to move very nimbly. So that's partly why we hired Ahmad Al-Dahle. We wanted to be on the frontier of AI, at least for the non-native AI companies. And I think you're going to see a lot more productivity and a lot more innovation velocity.

The third is you're going to start to see AI through the booking experience and the listing experience. AI search will eventually – I can't put a timeline on it because AI is, obviously, highly unpredictable. But we would love to be the first company in e-commerce that really nails AI search, conversational search. I think it's really hard not just in travel, but all e-commerce.

One of the reasons that chatbots are really hard for commerce is because they're very visual. They're photo forward. You need to be able to compare. You need to be able to open different tabs. So a text-forward chatbot interface is not the ideal. So we have to actually innovate on the user interface. We're also using AI across the board, like being able to list your space much more easily.

So if we are successful one year from now, in summary, AI customer service will be voice and chat across all languages. It will have penetrated many more ticket types. It will massively accelerate our innovation. And we'll be as AI-native as any other company in our space or more. And then, finally, the experience for guests and hosts will be materially better.

Operator: Your next question comes from the line of Doug Anmuth from JPMorgan. Your line is open.

Dae Lee

Analyst, JPMorgan Securities LLC

Q

Yeah. This is Dae on for Doug. Thanks for taking my questions. I have two. First one, looking at the 2026 revenue acceleration guide, could you help us think through the acceleration drivers across the core markets, expansion market services, and perhaps any tailwinds for major events like the World Cup and Olympics? And are you anticipating any top line benefits from some of these AI innovations that you discussed?

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.
A

Certainly. So when we think about the growth outlook for 2026, we are certainly taking into account the momentum that we've seen coming off the launches that we've mentioned driving the Q4 results. We anticipate those will continue to benefit the top line in the beginning of 2026, and we're obviously looking to expand upon them.

Beyond those that we mentioned, we're obviously continuing to invest in several other growth levers. In particular, we're investing in incremental supply, we're investing in our expansion markets and several other key initiatives. In terms of the back half of the year, we'll obviously be comping some of the launches that we had in Q4. So we'll lap those, but intend to have incremental growth levers throughout the year to support that.

You asked just about the major events. Obviously, the Milan Olympics is happening right now, and we're looking forward to FIFA this summer. I would say those two events, in particular, they are large events on the platform, but in scale are very small portions of the overall business. So we're looking forward to them. They will be additive in the quarters that they hit.

But I would say, on the larger events, the benefit of those events is not just the bookings during the period of the events. Instead, it's the benefits we get from increasing overall awareness of the brand, driving incremental supply in those markets and, more broadly, the brand halo we get from connecting our brand with such beloved global events.

What we've seen actually for the current Olympics than the past Olympics is that guests who know of the brand's partnership between Airbnb and the Olympics have a more favorable impression of the brand. So many reasons that we do those, only one is the in-period impact to the business.

And then, in terms of the contribution from AI, I would say, as Brian shared, we are currently piloting AI search. We have nothing banked into our outlook in terms of the benefit from that deployment.

Operator: Your next question comes from the line of Lloyd Walmsley from Mizuho. Your line is open.

Lloyd Walmsley
Analyst, Mizuho Securities USA LLC
Q

Hi. Thank you. Two, if I can. First, just on hotel. When we talk to hotels and connectivity partners, we hear like an enthusiastic response on working with you guys, but there's also sounds like a lot of friction with the connectivity APIs and sort of supporting multiple rates. It seems like there's a lot of friction today. Just wondering, are you sort of committed to building and/or rebuilding those connectivity layers? And what other things are you guys doing to sort of build foundations on hotel?

And then, second question, just stepping back, opening up the aperture of inventory, whether that's more mainstream hotel or experiences, it would seem like you could unlock significant TAM by just going a bit more mainstream. Brian, how do you feel about having more of that type of content on the site and the tradeoff between sort of keeping things unique versus addressing bigger and bigger portions of the market? Would love to just hear how you think about that. Thanks.

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

Yeah. And it's a great question. Again, I've gone back to Amazon as a pretty good reference point for us. They started with one category books. They became synonymous with that single category and, eventually, they rebuilt their platform to expand in many categories. That's our strategy. And so to answer your question, yes, we are opening the aperture. We're opening the aperture in accommodations. We're opening the aperture beyond accommodations and beyond places to stay.

One of the reasons we are able to do this is AI allows us to personalize. Some people come to Airbnb and all they want to see are unique homes. And before AI, like personalization was a little more primitive. So if they saw a hotel, it might be jarring. Now we can really personalize. So people who just want to see Airbnbs can see Airbnbs. People who just want to see hotels, we can eventually personalize, they can just see hotels.

If people want to see both, we can know. If you're booking last minute, one night, then we're going to show you a hotel. If you're booking a family of five in Italy, we're going to show you a home. So it really goes back to personalization. The more personalized we are, the more types of inventory we can offer.

So this then, I think, goes to our broader strategy. What is our strategy for hotels? Our strategy for hotels used to be that we thought of them as filling in network gaps when a home is booked. And when homes are high occupancy, you can get a hotel.

What we've now evolved to is a much bigger strategy, a much more expansive strategy. It turns out, obviously, as we spend a lot of time with our guests, that a lot of guests love to book homes and hotels. And we ran an ad campaign, some trips are better in Airbnb, but it also means some trips are better in hotels.

And so if you're booking last minute, if you're booking one night, if you're booking for business, if you're staying for a conference, this might be a really good reason to book a hotel. But also, we're really focusing on boutiques and independents, and a large percent of the inventory, hotel inventory in the world, are boutiques and independents. They provide incredible hospitality.

I mean, these hotels really fit the ethos of the Airbnb brand. And these are not niche. This is a huge percentage of the hotels in the world. And as we spoke with these hoteliers, they've been very, very enthusiastic. They want to list another channel. They like their low commission. They love the merchandising. They love the type of travelers work we have.

So we think that as we add more offerings, as we add more categories, it strengthens all the other businesses. So we think as we get more aggressive hotels, not only do we open up the aperture to a huge TAM of hotels, it actually strengthens home.

Operator: Your next question comes from the line of Stephen Ju from UBS. Your line is open.

Stephen Ju
Analyst, UBS Securities LLC

Q

Great. Thank you. So, Brian, can we revisit the halo effect that you might have seen following the Paris Olympics and how that might have helped you from either an awareness or greater user, I guess, experience or comfort perspective? And how that might ripple through after the World Cup here in the United States?

And Ellie, even at the low end of your revenue guidance, to keep margins flat, you have to figure out a way to spend some $800 million more year-over-year. So just wondering where the larger spend buckets are going to be for this year. Thanks.

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

A

All right. So let's start with the Paris Olympics and how it may – what it might portend for the World Cup. The Paris Olympics was massive for our business, not just in Paris, but really all over France and globally. One of the things that happened was events are likely the very best way for us to add new supply.

And one of the great things about adding supply for events is it's usually everyday people listing homes that are often exclusive to Airbnb. So this is really, really compelling. And in fact, this is we started Airbnb. As many of you know the founding story, we started to provide housing for events. And we designed and built our platform for this from the very beginning.

The great thing about events in Airbnb is a lot of people have no intention of becoming a host. They have no intention in doing this year around. But an event comes to town and they want to make money one week. And they list their place and they get introduced to the concept hosting and they realize they like it and they continue hosting. 40,000 people who listed their homes in Paris have continued hosting, and that's been like really, really powerful for us.

So the other was really powerful from a policy standpoint. I think Airbnb goes from sometimes a problem cities have to deal with to a solution to the problem. And what we know is these large events, hotels can't accommodate everyone. So it's a bit of a reset moment where we can actually come and tell cities that we actually can be a solution to your challenge. And it is just a great way to experience Airbnb because it's a great way to bring cultures together.

And the thing about the World Cup that's so powerful is, obviously, as you know, it's in three countries. And so it allows us to handle really important markets. Not only important markets in the United States, but like Toronto and Mexico City, two of our most important markets in the world.

So I think the World Cup will be massive. We have the Milan Olympics happening right now. The Milan Olympics was not only great for Milan, not only great for Northern Italy, but was great for our relationship with the Italian government. And I think that we don't just need the World Cup. We don't just need the Olympics. We actually can work with smaller events, like Lollapalooza. We can work with really local events.

So the event strategy scales from big global events, down to local events, and we think they're one of the best ways to recruit supply, and that's what we're going to do to grow our supply in Airbnb.

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.

A

Let me answer the second question about EBITDA. As we look at the construction of the 2026 P&L relative to 2025, obviously, the top of our P&L in terms of cost of revenue and ops and support will scale somewhat linearly. We'll have some efficiencies there, but they will scale somewhat linearly with, obviously, the growth in revenue.

Where you will see some incremental investment to drive growth is, obviously, in sales and marketing. This is both in the form of programmatic marketing, but more so in terms of our go-to-market efforts. What this means is all of our efforts around acquiring supply, not just homes, but obviously also for experience, services and hotels. And then we will also continue to grow our investments in product development to allow for a greater accelerated pace of innovation.

I would say more broadly, talking about the 2026 P&L, hopefully it was clear in our opening remarks as well as in the letter, our ambition is to accelerate the top line. And we're giving ourselves the flexibility within the stable margins compared to last year to invest to achieve that acceleration. We're quite proud of the level of profitability that we have achieved historically. And the focus right now is, again, accelerating growth within those very strong, stable margins.

Operator: Your next question comes from the line of Justin Post from Bank of America. Your line is open.

Justin Post
Analyst, BofA Securities, Inc.

Q

Great. Thank you. Brian, in your prepared remarks, you talked about app improvements and obviously improving supply. Are you seeing any improvement in repeat rates or customer service scores? Or what kind of feedback are you getting on that?

And then, Ellie, maybe you could talk about the US room night growth. It definitely has got back to mid-singles. What's your outlook for that as we look forward? Thank you.

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

A

Yeah. I mean, I can start with one of the things we noticed is the repeat rate of Airbnb is pretty much you can simplify it down to the satisfaction of the guest. The satisfaction of the guest, first and foremost, is satisfaction of the home. And then if something goes wrong, the satisfaction of customer service. That's why we focus first and foremost on host quality.

Now that Guest Favorites are approximately half of our bookings, the trip quality, which is the score we look at, has gone up significantly. That means satisfaction has gone up. That means satisfaction has gone up. That means that repeat use is stronger. It's really strong. And I think that explains a bunch of our reacceleration.

And customer service is better than ever. We track NPS, and it's the strongest it's been since the pandemic by far, and it's accelerating. And I think, again, it's not just the hard work the team is doing, but again, I think the quality of the management of our marketplace, all the supply management we do, we think it's unprecedented in our category what we do. We're moving more than 500,000 listings via Guest Favorites. We're really, really tight on quality control. And then the customer service that we have, which is best-in-class, we think, in our category. And with AI supporting it, I think it's going to continue to improve. So, yes, it's been a huge tailwind for us.

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.

A

Speaking to US or more broadly North America, certainly at the beginning of 2025, so Q1 and Q2, the growth in that region was quite modest, low-single digits. We were excited to be able to accelerate that in Q3 and then once again in Q4. That is a byproduct, I think, one of a slightly stronger macro, but more importantly, the product changes that we have discussed in the letter and on this call.

I would say, heading into 2026, we continue to see great momentum for North America at large. And it is one of the underpinning points of our optimism around 2026.

Operator: Your next question comes from the line of Mark Mahaney from Evercore ISI. Your line is open.

Mark Mahaney
Analyst, Evercore ISI

Q

Thanks. Two questions, please. When do you think – what's the realistic expectation for when hotels will be big enough to actually start moving the needle in terms of that revenue growth acceleration? Or do you think that that is one of the factors behind the revenue growth acceleration this year?

And then secondly, could you just talk about the take rate dynamics in Q1, what's embedded in your guidance? Your revenue growth is sort of accelerating versus Q4, but your room night growth seems like it's slightly decelerating or similar growth, and your bookings growth ex-FX is slightly decelerating. So is there something that's boosting take rate in Q1 that it causes that revenue growth to accelerate? Thank you.

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.

A

Sure. In terms of hotels, just to size hotels today. So as of Q4, hotels was a single-digit percentage of total nights booked, but growing nearly double that of the overall platform. So it will take some time for that business to scale to have a meaningful contribution to growth, but the current momentum is quite strong. We'll be – as Brian shared previously, we'll be expanding the hotel supply over the course of the year and intend to exit 2026 with hotels being a meaningfully larger percent of the overall business going forward.

In terms of the take rate expansion in Q1 and what's going on with the, I would say, high level of growth in Q1 relative to Q4, a couple of dynamics. First is the impact of ADR and FX. As we called out in the letter, the realized tailwind of FX in Q1 will be quite strong at nearly 3 percentage points. We're also getting the benefit of earlier lead times of bookings in Q4 that will realize in stays and hit revenue in Q1. And then in terms of the implied take rate, it should be modestly above where we were in Q1 of last year, mostly due to some timing consideration.

One other small component, to give you the laundry list, is Easter this year is on the kind of – in the middle. Effectively, it's on April 5. So you don't see as big a quarterly swing as we have seen in prior years when Easter moved materially in and out of Q1. But we anticipate it will support about 50 basis points of incremental revenue in Q1 and 50 basis points less revenue in Q2.

Operator: Your next question comes from the line of Jed Kelly from Oppenheimer. Your line is open.

Jed Kelly
Analyst, Oppenheimer & Co., Inc.

Q

Hey, great. Thanks for taking my question. Just, I guess, going back to hotels. And I get how the company was built, unique supply. But can you just talk about like why not lean into more brand hotels just because it could give the user and open up more supply and potentially bring in more new users to the platform? Thanks.

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

A

Yeah. I mean, a large percent of the hotels are boutiques and independents. And we want to just start there. We're not saying what we will or will not do in the future, but we think that we want to like just start with the huge number of boutiques and independents that are typically paying a higher commission than the chain and have been really aggressive with us, reaching out, saying that they would love to have another channel. So that's our starting place.

We're not saying where we're eventually going, but this is where we're focused right now. So we're focused on our top markets in the world, where there's a proliferation of great boutiques, great independents. We have more than 100 hotels in New York with more than 20,000 rooms available on the site, just New York City alone.

Operator: Your next question comes from the line of Kevin Kopelman from TD Cowen. Your line is open.

Kevin Kopelman
Analyst, TD Cowen

Q

Great. Thanks. I wanted to ask about the new all-in commission structure for PMS-connected hosts. What are some of the benefits you're seeing from that change? And could you see Airbnb moving all of its hosts over to that structure longer term? Thanks.

Ellie Mertz
Chief Financial Officer, Airbnb, Inc.

A

Yes. So I think you're probably aware of our historical structure. The business was set up with a dual fee structure, where there was a 3% host fee and then a variable guest fee on top of that. What we found over time is that, that dual fee structure makes it difficult for hosts to effectively price their listing. It's, frankly, a little bit complicated. And in particular, for those listings that are cross-listed and in particular by property managers, it often leads to incorrect pricing, meaning what the guest sees is not what the host intends. And in many cases, that means that a listing can sometimes be more expensive on Airbnb when it's cross-listed somewhere else.

So from the migration that we completed back in October, which was to migrate all of our API-connected hosts to the single service fee, we've seen great results. Number one is we, obviously, very delicately manage the communication with our hosts to ensure that they did not perceive this as a fee increase. And in making the migration, what we found is that many of the hosts did not take up their rates. Instead, the effected ADR to guests came down modestly, which, obviously, you can conclude is really great from an affordability perspective as well as elasticity. And that is the reason it's been a driver or contributor to growth in Q4.

We are currently piloting in certain countries a further migration for our individual hosts, again, from the dual fee structure to the single service fee. We think a more expansive migration, number one, allows it to be easier for the hosts to understand what they should price. It allows us to make sure that we are pricing all of our listings competitively. We also think it's a foundational move that will allow us to, one, be more dynamic with our pricing tools as well as our fees.

Operator: Your next question comes from the line of Ken Gawrelski from Wells Fargo. Your line is open.

Kenneth James Gawrelski
Analyst, Wells Fargo & Co.

Q

Thank you so much. Two if I may, please. First, on loyalty. Brian, could you talk a little bit about – you on past calls have talked a little bit about a different approach to loyalty. It really hasn't come up as much, I don't think on this call, and I apologize if I missed it. But could you talk a little bit about your vision for loyalty and how that spans across the different products and services that you aspire to offer on the platform?

And the second thing is maybe referring back to the shareholder letter, where you talk about the speed, and I think you called it the Project Y in terms of the speed of decision-making and new product releases. Will this impact at all the way you think about – you've been on a biannual or every six-month cadence for new product releases, either to the consumer or to the host. Could you talk a little bit about how you – maybe what you've learned or the experience you've had with this new, more efficient decision-making has – could inform the product release going forward?

Brian Chesky

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

A

Yeah, sure. Maybe I'll start with the second question, and then go to first. So we're still going to do biannual product release moments, but our methodology is going to be a little bit different. Last May was kind of a onetime like rebuilding of the platform. We had to basically rebuild our app from a home platform to a platform you can book any part of your trip; hence the tagline, now you can book more than – now you can Airbnb more than Airbnb. Basically, every tab in the app changed.

What we're now doing is we're not waiting for a release to ship. We're really shipping every minute and every hour of every day. So the teams are shipping. We still will have a May release, where we'll showcase the stuff we're doing, but we're not holding stuff back. When they're ready, we will ship them. We're going to use May as a bit more of a showcase of what the product improvements are that you can expect this summer. So if that makes sense, it's more of a, essentially, marketing showcase – a product marketing showcase versus us holding back features.

But we still do think telling a story a couple of times a year to our guests, our host and our shareholders about the improvement and innovation we make is a really good thing. I think releases are a really good way to tell the story. But again, Y means that we don't wait for a release to ship. We ship the moment it's ready. And especially in the age of AI, giant moments aren't the way to do it. You want to iterate consistently.

I think the second question was on loyalty, right? That was the first question. So, yeah, so we – and I think the thing that I would like to point out is the results we've had without loyalty and without sponsor listing. So I think that with loyalty, we think that could be a massive accelerant for our company. We are absolutely looking at this. I've said before that if we do a loyalty program, we wouldn't want to do an out-of-the-tubes points program. We want to do something much more unique. And we are actually testing a lot of different tracks.

So we're testing different benefits that could be in the loyalty program. And based on results of those tests, we'll eventually package them and release a loyalty program. But right now, we are investing.

Brian Chesky

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

So I think that was the last question. I think now we can go to closing remarks. So we are out of time. I just want to thank everyone for joining us today. I just want to say also I'm incredibly proud of what our team here at Airbnb delivered in 2025. We developed the blueprint for innovation that we're now using across the company, and you're starting to see that in our results. As this momentum builds, we believe the opportunity ahead is even bigger than what you're seeing today. I look forward to seeing you next quarter. Thank you.

Operator: This concludes today's conference call. Thank you for your participation. You may now disconnect.