

EQUITY RESEARCH | POST-RESULTS UPDATE

August 8, 2026

Airbnb, Inc.

NASDAQ: ABNB | Q2 2026 results, reported August 6 after the close

RECOMMENDATION	Last Price (Aug 7)	Fair Value	52-Wk Range	Investment Score
WATCHLIST	\$178.07	\$165–180	\$110.8–178.5	70 / 100
Better business, worse price	+17.4% on the print	Weighted ~\$170	At the high	Unchanged, new mix

What the Quarter Changed

Airbnb's second quarter was the cleanest operating print the company has delivered since the post-pandemic rebound, and the market repriced the stock accordingly: shares gained 17.4% on August 7 to close at \$178.07, the largest single-day advance in the company's public history. Revenue rose 16.5% year over year to \$3.61 billion, above the top of management's own \$3.54–\$3.60 billion guidance. Gross Booking Value grew 15.9% to \$27.25 billion and Nights and Seats Booked grew 10.3% to 148.3 million, an acceleration from Q1 rather than the continued drift toward maturity the bear case required. Adjusted EBITDA of \$1.26 billion carried a 35.0% margin, up roughly 130 basis points year over year, and management raised full-year guidance on both lines: revenue growth to at least mid-teens from low-to-mid-teens, and the full-year Adjusted EBITDA margin floor to 35.5% from 35.0%.

The most important detail is where the acceleration came from. Growth improved not only in expansion markets but in the mature core — the United States, France, the United Kingdom and Australia all accelerated on origin net nights booked — and first-time booker growth reached 11%, the highest in four years. That is a different signal from an FX-flattered quarter or a one-off event bump. It is the first hard evidence that the product rebuild management has been describing for two years is converting traffic into bookings at scale.

Two things temper the enthusiasm. First, the headline earnings beat is not what it appears. Reported diluted EPS of \$1.37 against roughly \$1.26 consensus included a \$77 million discrete tax benefit relating to prior-year taxes under recently published guidance, disclosed by the CFO on the call. Stripping it out gives approximately \$739 million of net income and about \$1.24 of diluted EPS on 597 million shares — a modest miss rather than an 11-cent beat. The genuine beat was on revenue and EBITDA, not on earnings. Second, the price moved considerably further than the estimates did. A guidance raise worth perhaps two to three points of revenue growth and 50 basis points of margin was met with a 17.4% re-rating, lifting the forward earnings multiple from roughly 28 times before the print to the mid-thirties after it. The business case improved; the entry price deteriorated faster.

Derived figure, not company-reported: clean net income of ~\$739M and clean diluted EPS of ~\$1.24 are calculated here as reported net income of \$816M less the disclosed \$77M discrete tax benefit, divided by 597M weighted diluted shares. Airbnb does not publish an adjusted EPS measure.

Q2 2026 Results vs Consensus and Prior Year

Metric	Q2 2026	Q2 2025	Y/Y	Guide / Consensus	Read
Revenue	\$3,608M	\$3,096M	+16.5%	\$3.54–\$3.60B guide; \$3.58B cons.	Above high end
Gross Booking Value	\$27,247M	\$23,500M	+15.9%	Low-double-digit guide	Beat
Nights & Seats Booked	148.3M	134.4M	+10.3%	Slight decel. guided	Accelerated
ADR (GBV / night)	\$183.73	\$174.85	+5.1%	+4% ex-FX	In line
Adjusted EBITDA	\$1,261M	\$1,043M	+20.9%	Up Y/Y guided	Beat

Metric	Q2 2026	Q2 2025	Y/Y	Guide / Consensus	Read
Adj. EBITDA margin	35.0%	33.7%	+130bps	—	Expanded
Net income	\$816M	\$642M	+27.1%	—	Flattered by tax
Diluted EPS (reported)	\$1.37	\$1.03	+33.0%	~\$1.26 consensus	Beat by \$0.11
Diluted EPS (ex tax item)	~\$1.24	\$1.03	+20.4%	~\$1.26 consensus	Slight miss
Free cash flow	\$1,253M	\$962M	+30.2%	—	Strong
Implied take rate	13.24%	13.17%	+7bps	Flat FY guide	No inflection

Sources: Airbnb Q2 2026 shareholder letter and Form 10-Q (SEC EDGAR, filed August 6 2026); MarketBeat consensus. Take rate computed as revenue divided by GBV. Ex-tax-item EPS is this report's calculation.

Guidance: What Was Raised and What Was Not

Line	Prior guidance (May)	New guidance (August)	Direction
FY26 revenue growth	Low-to-mid teens	At least mid-teens	Raised
FY26 Adj. EBITDA margin	At least 35.0%	At least 35.5%	Raised
FY26 implied take rate	Expected to lift on fee simplification and insurance	Relatively flat vs 2025	Cut
Q3 26 revenue	—	\$4.69–4.77B (+15–17%, ~3pt FX tailwind)	Above consensus
Q3 26 GBV	—	Mid-teens growth	Solid
Q3 26 Adj. EBITDA margin	—	Down slightly Y/Y on investment timing	Lower

The take-rate line is the one that matters and it went the wrong way. In May management expected fee simplification and insurance attach to lift the full-year take rate; in August it guided the implied take rate to be relatively flat against 2025, attributing the change to the timing effect of Reserve Now, Pay Later and to higher customer incentives funding the new businesses. Monetisation upside has been deferred by at least a year, which is precisely the leg of the bull case that a premium multiple is supposed to be paying for.

Analytical Framework — What Drives Returns From Here

Airbnb is a two-sided marketplace, not an asset owner. Hosts supply the capital-intensive inventory, so returns are governed by transaction volume, the rate at which that volume is monetised, and the operating leverage of a largely fixed cost base. The five variables below carry the next one to two years of shareholder return, and this report grades the quarter against each of them.

Driver	What Q2 showed	Verdict
1. Nights and seats volume	148.3M, +10.3% Y/Y and accelerating from Q1's 9%; core markets (US, FR, UK, AU) accelerating alongside expansion markets; first-time bookers +11%, best in four years.	Clear positive
2. Take rate / monetisation	13.24% versus 13.17% a year ago. FY26 implied take rate now guided flat, versus a lift expected three months ago. RNPL timing and new-business incentives are the stated drag.	Negative

Driver	What Q2 showed	Verdict
3. Margin and cash conversion	35.0% Adjusted EBITDA margin, +130bps; TTM FCF \$4.83B at a 37% margin; customer-support cost per booking down ~16% on AI deflection. But Q3 margin guided down Y/Y.	Positive, with a Q3 air pocket
4. New verticals (hotels, services, experiences)	Hotel nights still a single-digit % of total but growing ~3x the homes rate, with ~35% of first-time hotel guests returning to book a home. Experiences supply +80%; services expanding via partnerships with little cost.	Real, still immaterial
5. AI as an execution multiplier	~80% more features shipped H1 Y/Y; concept-to-launch time cut up to 60%; AI assistant resolves ~45% of initiated issues unaided. AI search enters live test this month behind an opt-in toggle.	Credible, unpriced until it converts

1. Business and Competitive Position

Airbnb earns almost all of its revenue from service fees on completed bookings, supplemented by a growing contribution from travel insurance, experiences and the newer services layer covering car rental, luggage storage, airport pickup and grocery delivery. Because hosts own the inventory, roughly 37 cents of every revenue dollar converts to free cash flow over a trailing year, a conversion rate few businesses of any kind match. The durable advantages are a brand that has become the generic term for the category, two-sided network effects, a deep trove of review and trust data, and switching frictions for professional hosts.

The quarter added a genuinely new competitive datapoint. Management said hotel supply acquisition has gone materially better than internal expectations, with inbound interest from hotels reversing the direction of the outreach, and disclosed that roughly 35% of first-time hotel bookers return to book a home. Note that this figure was quoted at approximately 55% in the Q1 letter on a smaller pilot base; the decline as the programme scales is worth monitoring rather than dismissing, though 35% on a much larger base is still a strong crossover rate. The structural argument — that hotels widen the top of the funnel without cannibalising homes — is holding so far. The offsetting reality is that hotel nights remain a single-digit percentage of total nights, so the contribution to 2026 revenue is small no matter how fast the growth rate reads.

The disadvantages are unchanged and material. Demand is discretionary and cyclical, hosts increasingly list across Airbnb, Vrbo and Booking.com simultaneously, and the supply base remains politically contested in the densest and most valuable cities. Google's travel surfaces and hotel direct channels continue to intermediate discovery, and the arrival of general-purpose AI travel agents is a live threat to any intermediary whose value sits in search and comparison.

2. Industry and Positioning

Online travel is large, growing and increasingly mature, with category growth normalised toward high single digits. Booking Holdings, Expedia and Airbnb each push into the others' territory: Booking and Expedia have built out alternative accommodation, while Airbnb is layering hotels, services and experiences to resemble a broader travel platform. Airbnb is the smallest of the three by revenue, the fastest growing, and the most exposed to short-term-rental regulation. The relevant tension is that Airbnb now grows roughly twice as fast as Booking on the top line while trading at roughly double Booking's earnings multiple — a proportionality that leaves no room for the growth premium to expand further.

Company	Fwd P/E	FY26E revenue growth	Revenue scale	Positioning
Airbnb (ABNB)	~35x	At least mid-teens	~\$13.2B TTM	Alt-accommodation leader; fastest growth, richest multiple
Booking (BKNG)	~18x	~9–11%	~\$27B	Scale leader; agency plus merchant; cheapest multiple, heavy buyback

Company	Fwd P/E	FY26E revenue growth	Revenue scale	Positioning
Expedia (EXPE)	~13–14x	~7–8%	~\$14B	Brand portfolio including Vrbo; lowest growth, lowest multiple

Peer multiples are approximate and sourced from public aggregators as of early August 2026; ABNB forward P/E is this report's calculation, shown in Section 8.

3. Financial Analysis

Cash generation remains the standout. Over the trailing twelve months through June, Airbnb produced \$13.16 billion of revenue, \$4.62 billion of Adjusted EBITDA and \$4.83 billion of free cash flow, the last at a 37% margin helped structurally by negative working capital — guests pay at booking, hosts are paid at stay. The balance sheet strengthened in a different direction this year: Airbnb received inaugural investment-grade ratings (A- from S&P, Baa1 from Moody's), issued \$2.5 billion of senior unsecured notes in March and used part of the proceeds to retire the \$2.0 billion convertible at maturity. The company therefore now carries term debt for the first time, but against \$12.07 billion of cash and short-term investments it remains roughly \$9.6 billion net cash. Buybacks continue at scale: 7.9 million shares for \$1.07 billion in the quarter, 16.0 million shares for \$2.14 billion year to date, with \$3.4 billion left on a \$6.0 billion authorisation.

The blemish is the quality of reported earnings. GAAP net income is materially assisted by discrete items in both quarters this year — a roughly \$70 million investment gain and an offsetting \$70 million deferred tax adjustment in Q1, and the \$77 million tax benefit in Q2. Stock-based compensation runs above \$400 million a quarter, roughly 11% of revenue, which is why Adjusted EBITDA of \$1.26 billion sits so far above the \$816 million of net income. Investors buying on the headline EPS beat are paying for a number that includes an item management itself described as relating to prior-year taxes.

\$ / metric	FY2024	FY2025	Q1 2026	Q2 2026	TTM to Jun-26	Trend
Revenue	\$11.10B	\$12.24B	\$2.68B	\$3.61B	\$13.16B	Accelerating
Revenue growth Y/Y	+12%	+10.3%	+18%	+16.5%	—	Re-accelerated
Adjusted EBITDA	\$4.04B	\$4.30B	\$0.52B	\$1.26B	\$4.62B	Up
Adj. EBITDA margin	36.4%	35.1%	19.4%	35.0%	35.1%	Stable (seasonal)
Net income	\$2.65B	\$2.51B	\$0.16B	\$0.82B	\$2.69B	Recovering
Free cash flow	\$4.48B	\$4.61B	\$1.70B	\$1.25B	\$4.83B	Strong
Gross Booking Value	\$81.8B	\$92.6B	\$29.2B	\$27.2B	—	Up
Diluted shares	~677M	~626M	608M	597M	—	Shrinking

FY figures aggregated from Airbnb quarterly disclosures. FY2025 Adjusted EBITDA is the sum of reported quarters. Diluted share counts are weighted averages for the period.

4. Management and Guidance Accuracy

Guidance accuracy is one of the few genuinely testable measures of a management team, and this quarter tests well. Three months ago the company guided Q2 revenue to \$3.54–\$3.60 billion with GBV up in the low double digits, nights growth decelerating slightly against a roughly 100 basis point Middle East headwind, and Adjusted EBITDA up year over year. Actual revenue of \$3.608 billion came in above the top of that range, GBV grew 15.9% rather than low double digits, nights accelerated rather than decelerated, and the CFO stated that the conflict's impact was less than anticipated. Beating your own guidance on every line, having set that guidance conservatively against a named risk, is the behaviour of a team that understands its own business.

Two caveats belong alongside that. Stock-based compensation remains heavy at roughly \$400 million-plus per quarter and the buyback is substantially an offset to dilution rather than pure return of capital, even if the diluted share count has

genuinely fallen from about 677 million in 2024 to 597 million. And insider activity is one-directional: Form 144 notices filed on August 7, the day of the 17% advance, cover proposed officer sales of roughly \$51.5 million and \$92.6 million of common stock, following a steady stream of founder and executive sales through 2026. Such sales are common at founder-led issuers and are often programmatic, but filing to sell roughly \$144 million into the largest up-day in the company's history is not a vote of confidence in the price.

On strategy, CEO Brian Chesky was unusually explicit on the call about the direction of travel: a one-stop-shop for travel over the next eighteen months, then travel to living, then broader connection. He also named AI as the only existential risk to the company and argued Airbnb has converted it from threat to advantage, pointing to inference costs that are de minimis against high-ticket transactions and no requirement for capital expenditure on compute. That is a coherent answer to the question the market is asking of every intermediary. Whether it is correct will not be knowable for several years.

5. Growth Drivers

Catalyst	Horizon	Likelihood	Impact	Status after Q2
Host dynamic pricing rebuilt on AI — management calls it the single biggest growth lever, "many multiples" bigger than Reserve Now, Pay Later	Near/med	High	High	Rolling out; unquantified
AI search and conversational discovery lifting conversion	Near	Medium	High	Live test this month, opt-in toggle
Hotel supply scaling beyond a single-digit % of nights	Med	High	Med-High	Growing ~3x homes; top-20 city push
Take-rate inflection once RNPL timing and new-business incentives lap	2027	Medium	High	Deferred; FY26 guided flat
Services and experiences via partnerships at negligible incremental cost	Med/long	High	Medium	Car rental largest; supply +80%
Continued expansion-market compounding (India, Brazil, LatAm ~20%, APAC high teens)	Near/med	High	Medium	Intact and broadening

6. Risk Assessment

Risk	Type	Probability	Severity	Comment
Multiple compression from a mid-thirties forward P/E	Valuation	High	High	The dominant risk. Nothing in Q2 justifies a permanent 35x for a mid-teens grower.
Tougher second-half comparisons flagged by management	Company	High	Medium	Q3 Adjusted EBITDA margin already guided down Y/Y.
Take rate stays flat into 2027	Company	Medium	High	Removes the monetisation leg of the premium-multiple argument.
Discretionary travel demand softens	Macro	Medium	High	Bookings are among the first discretionary items cut.
Short-term-rental regulation constrains supply	Regulatory	High	Medium	EU data rules, NYC, Barcelona 2028. Hotels partly hedge this.
AI travel agents disintermediate discovery	Competitive	Medium	High	Management's stated existential risk; unresolved for the sector.

Risk	Type	Probability	Severity	Comment
Earnings quality — discrete tax and investment items	Financial	High	Low-Med	Recurring pattern; requires adjusting headline figures every quarter.
Concentrated insider selling	Governance	High	Low	~\$144M of Form 144 notices filed on the spike day.

7. Valuation

At \$178.07 and 597 million diluted shares, Airbnb carries a market capitalisation of roughly \$106.3 billion. Against \$12.07 billion of cash and short-term investments and \$2.5 billion of senior notes, enterprise value is approximately \$96.7 billion. On trailing twelve-month figures that is 39.5 times earnings, 21.0 times Adjusted EBITDA, 20.0 times free cash flow and 7.35 times revenue. The free-cash-flow lens remains the most flattering, as it did three weeks ago, and it deserves a caveat that is rarely applied: a meaningful share of that cash flow is float from unearned fees, which grows with bookings but is a timing benefit rather than distributable earnings in perpetuity. The gap between \$4.83 billion of trailing free cash flow and \$2.69 billion of net income is not free money.

The forward multiple is where the problem sits. Building full-year 2026 earnings from reported first-half diluted EPS of \$1.62, the Q3 revenue guide of \$4.69–\$4.77 billion at a seasonally peak margin guided down slightly year over year, and a normal fourth quarter, gives roughly \$4.90 of full-year diluted EPS. At \$178.07 that is about 36 times forward earnings; on the more generous \$5.14 sell-side figure implied before the print it is about 35 times. Either way the stock has moved from roughly 28 times to the mid-thirties in a single session, against a revenue guidance raise worth two to three points and a margin floor raised by 50 basis points. Booking Holdings, growing revenue at nine to eleven percent with a comparable margin structure and a heavier buyback, trades near 18 times. A doubling of the peer multiple asks a great deal of the hotels and AI optionality, most of which remains immaterial to 2026 revenue.

Method	Input	Multiple / value	Implied read
Trailing P/E	\$106.3B mkt cap / \$2.69B TTM net income	39.5x	Rich; flattered by tax items
Forward P/E	\$178.07 / ~\$4.90 FY26E diluted EPS	~36x	The binding constraint
EV / Adj. EBITDA	\$96.7B EV / \$4.62B TTM	21.0x	Full for mid-teens growth
EV / FCF	\$96.7B EV / \$4.83B TTM	20.0x	Reasonable; ~5.0% EV yield
EV / Sales	\$96.7B EV / \$13.16B TTM	7.35x	Premium to both peers
PEG (forward)	~36x P/E vs ~20% EPS growth	~1.8	Expensive; Booking near 1.1
Scenario-weighted	Section 10	~\$170	About 5% below spot

Market capitalisation, enterprise value, TTM aggregates and all multiples above are this report's calculations from the Q2 2026 10-Q and prior quarterly disclosures, using the August 7 2026 closing price of \$178.07 from Alpha Vantage. FY26E EPS is an estimate derived from company guidance, not a company figure.

8. Market Sentiment

The sell-side reaction was near-uniformly positive in direction and conspicuously short in magnitude. Price targets were raised across the board on August 7 — Evercore ISI to \$190 from \$155, RBC Capital to \$195, DA Davidson to \$175, UBS to \$172 from \$163 — and Wedbush upgraded the rating outright on the strength of the quarter and the hotel build-out. What matters is that most of those revised targets sit at or below the \$178.07 close. UBS and Piper Sandler both raised targets while explicitly maintaining Neutral, and the published consensus average remains materially below spot. In other words, the stock outran its own upgrade cycle within a single session. Ownership is roughly 57% institutional, 3% insider and 40% retail, and that unusually high retail share tends to amplify both gap moves and their retracement.

Signal	Reading	Interpretation
Post-print target revisions	RBC \$195, Evercore \$190, DA Davidson \$175, UBS \$172	Mostly at or below the \$178 close
Rating changes	Wedbush upgraded; UBS and Piper Sandler stayed Neutral into raises	Constructive, not capitulating
Consensus average PT	Materially below spot after revisions	Stock ahead of the street
Ownership mix	~57% institutional / 3% insider / 40% retail	High retail base adds gap-move volatility
Insider activity	Form 144 notices ~\$51.5M and ~\$92.6M filed Aug 7	Selling into strength
Options activity	95,371 contracts traded Aug 7, 240.4K open interest	Elevated post-print positioning

9. Technical Setup

The technical position is the mirror image of the fundamental one: everything is right, and that is the problem. The August 7 session gapped from a \$151.64 close to \$178.07 on 15.9 million shares, roughly four times the twenty-day average volume, and closed within 0.4% of the day's high at a new all-time high. Price now sits 19.4% above the twenty-day average, 24.1% above the fifty-day and 28.2% above the hundred-day. RSI(14) at 79.1 is firmly overbought, MACD has expanded well above its signal line, and ATR has widened to \$5.97, or 3.4% of price. There is no overhead resistance because there is no prior trading at these levels; the reference points are all below. The unfilled gap between \$153.79 and \$163.45 is the obvious magnet on any consolidation, and it coincides roughly with where the twenty-day average will sit in a few weeks. Buying an extended vertical move into an RSI near 80 is a poor risk-adjusted entry regardless of how good the news was.

Indicator	Value	Read	Indicator	Value	Read
Price (Aug 7)	\$178.07	All-time high	RSI(14)	79.1	Overbought
SMA 20	\$149.11	+19.4%	MACD	+4.52	Extended
SMA 50	\$143.51	+24.1%	Signal	+2.59	Line > signal
SMA 100	\$138.90	+28.2%	ATR(14)	\$5.97 (3.4%)	Widened
EMA 20 / 50	\$150.99 / \$145.45	Above both	Volume (day)	15.9M vs 4.3M avg	~3.7x
SMA 200	Not computed	Series limited to 100 sessions	Unfilled gap	\$153.79–163.45	Downside magnet

Indicators computed from 100 sessions of daily OHLCV through August 7 2026 (Alpha Vantage). The 200-day average is not computed because the series is shorter than the window; no estimate is substituted.

Scorecard — and What Moved

Component	Score	Prior (Jul 21)	Change	Comment
Business Quality	8/10	8/10	—	Asset-light marketplace, elite cash conversion, cyclical demand.
Financial Strength	9/10	9/10	—	~\$9.6B net cash, investment-grade, \$3.4B buyback authorisation left.
Competitive Advantage	8/10	7/10	+1	Hotel reception and 35% crossover; core-market re-acceleration.
Management	8/10	7/10	+1	Beat its own guidance on every Q2 line; heavy SBC and insider selling.
Growth Potential	8/10	7/10	+1	Nights accelerated to 10.3%; FY guide raised on both lines.

Component	Score	Prior (Jul 21)	Change	Comment
Valuation	3/10	5/10	-2	~36x forward from ~28x three weeks ago; above most revised targets.
Risk	6/10	6/10	—	Balance sheet cushions; valuation and comps risk now higher.
Technical Setup	4/10	7/10	-3	RSI 79, 19% above the 20-day, unfilled gap below.

Overall Investment Score — Derivation

Component	Score / 10	Weight	Contribution
Business Quality		15%	12.0
Financial Strength		15%	13.5
Competitive Advantage		15%	12.0
Management		10%	8.0
Growth Potential		15%	12.0
Valuation		15%	4.5
Risk		10%	6.0
Technical Setup		5%	2.0
Overall Investment Score		100%	70.0 / 100

The headline score is unchanged at 70, but the composition is materially different: three components improved on the fundamentals and two deteriorated on price and positioning. An unchanged rating resting on new grounds is a different statement from one resting on the old grounds.

Recommendation: Watchlist (unchanged rating, changed reasoning)

The July view was that Airbnb was a high-conviction business at a full-conviction price, to be accumulated on weakness toward \$125–130. Q2 has answered one of the three upgrade triggers set out then — full-year revenue growth is now guided to at least mid-teens, and nights growth accelerated rather than decayed — but explicitly failed a second, since management guided the implied take rate to be flat rather than rising, which was the specific evidence sought that services and experiences were monetising. The margin trigger of 36–37% is closer at a 35.5% floor but not met, and Q3 margin is guided down year over year.

Meanwhile the price cleared the entire fair-value range in one session. The correct conclusion is not that the quarter was disappointing; it plainly was not. It is that a good quarter has been more than fully paid for. Fair value rises to \$165–180 on the improved growth and margin trajectory, from \$150–160, and the stock trades at the upper end of that revised range. The rating stays at Watchlist for the opposite reason it did in July: then the business had not yet proved itself, now it has and the price has already collected the proof.

What would change the view	Trigger
Upgrade to BUY on price	Retracement into \$148–158 — the unfilled gap and the rising 20-day — which would put the stock near 30x forward earnings with the improved growth profile intact. That is a materially better risk/reward than chasing here.
Upgrade to BUY on fundamentals	Implied take rate guided up for 2027 as Reserve Now, Pay Later timing and new-business incentives lap; or hotels disclosed with a stated share of nights and a quantified revenue contribution rather than a relative growth rate.
Upgrade on execution	AI search graduating from opt-in toggle to default with a disclosed conversion uplift, and the AI host-pricing rollout quantified. Management called pricing the single biggest growth lever; it is currently unmeasurable from outside.

What would change the view	Trigger
Downgrade to AVOID	Nights growth falling back to high single digits, a Q3 miss against the already-lowered margin bar, or evidence that the take rate is declining rather than merely flat.

No entry, stop or target levels are published because the rating is not Buy. For position-sizing purposes, an existing holder has no reason to exit on this quarter; the case against is about the marginal dollar, not the invested one.

10. Scenario Analysis

Scenario	Prob.	Revenue outlook	Earnings / margin	Fair value
Bull	25%	FY26 at the top of mid-teens; FY27 revenue ~\$16.8B (+17%) as AI search converts, hotels reach mid-single-digit share of nights and the take rate inflects up in 2027.	FY27 EPS ~\$6.40; Adj. EBITDA margin ~37%; 33x	\$205–220
Base	50%	FY26 ~\$14.1B (+15%) as guided; FY27 ~\$16.0B (+13–14%) with nights in the high single digits to 10% and a flat-to-slightly-up take rate.	FY27 EPS ~\$5.75; margin ~36%; 30x	\$165–180
Bear	25%	Second-half comparisons bite as management flagged; discretionary travel softens; take rate stays flat into 2027 and new-vertical incentives keep rising.	FY27 EPS ~\$5.10; margin ~34%; multiple de-rates toward peers at 23x	\$115–130

Probability-weighted fair value: $0.25 \times \$212 + 0.50 \times \$172 + 0.25 \times \$122 = \$169.50$, roughly 4.8% below the \$178.07 close. Probabilities sum to 100%. The distribution is skewed to the downside in magnitude — the bear case is \$56 below spot while the bull case is \$34 above it — which is what a mid-thirties multiple does to a risk profile. Note that the bull case is not implausible: if AI search and AI host pricing both land, the growth rate could stay in the mid-to-high teens for longer than the base case assumes. It simply is not the outcome the current price is treating as the default.

Final Verdict

Would this be worth committing personal capital to at \$178.07? Not at this price, and the reason has nothing to do with the quarter. Airbnb has just done something it has not managed in four years: it accelerated volume growth in its most mature markets while expanding margin, and it did so on a broad base of product improvement rather than one lucky vertical. Nights up 10.3%, first-time bookers up 11%, revenue above its own guidance range, and a full-year raise on both the top line and the margin floor. Management guided conservatively into a named geopolitical headwind and then beat every line of that guidance. The balance sheet holds roughly \$9.6 billion of net cash, the business converts 37% of revenue into free cash flow, and \$3.4 billion of buyback authorisation remains. On the question of business quality the answer is emphatically yes, and more so than three weeks ago.

The problem is arithmetic. A 17.4% single-session re-rating against a guidance raise worth two to three points of revenue growth and 50 basis points of margin means the multiple did almost all of the work. Forward earnings moved from roughly 28 times to the mid-thirties while the peer that grows at nine to eleven percent trades near 18 times. The headline EPS beat that drove the move was not clean: excluding the disclosed \$77 million discrete tax benefit, earnings were approximately \$1.24 against a \$1.26 consensus. And the specific piece of the bull case that would justify a doubled peer multiple — a rising take rate as services, insurance and fee simplification monetise — was pushed out, not delivered: the full-year implied take rate is now guided flat, having been guided higher in May.

So the honest position is a raised fair value and an unchanged rating. Fair value moves to \$165–180 from \$150–160 because the growth and margin trajectory genuinely improved; the rating stays at Watchlist because the stock closed at \$178.07, above almost every price target the sell-side raised to on the same day, with RSI near 80, 19% above its twenty-day average and an unfilled gap sitting ten dollars below. The single biggest concern is that a mid-thirties multiple leaves no cushion for the second-half comparisons management itself flagged, or for a Q3 in which Adjusted EBITDA margin is already guided down year over year. The level that would change this is specific: a retracement into the \$148–158 gap zone, or 2027 guidance that finally shows the take rate rising. Until one of those arrives, the right

action is to keep watching a company that is now demonstrably executing, and to decline to pay for that execution twice.

Sources. Airbnb Q2 2026 Shareholder Letter and Form 10-Q (SEC EDGAR, August 6 2026); Airbnb Q1 2026 Shareholder Letter (8-K Exhibit 99.1); Airbnb Q2 2026 earnings call transcript, obtained in full from MarketBeat (transcript provided by Quartr), including prepared remarks and the complete analyst Q&A; Alpha Vantage daily OHLCV through August 7 2026; moomoo news aggregation for post-print analyst revisions and Form 144 notices; public aggregators for peer multiples and ownership data. The August 6 earnings call was reviewed directly for this report.

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