

Airbnb files preliminary paperwork for public stock offering

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This Feb. 22, 2018, file photo shows an Airbnb logo during an event in San Francisco. On Wednesday, Aug. 19, 2020, Airbnb filed preliminary paperwork for selling stock on Wall Street, undaunted by a global pandemic that has taken some wind out of its home-sharing business. (AP Photo/Eric Risberg, File)

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The San Francisco company said it submitted a draft registration statement to the Securities and Exchange Commission. It kept details in the statement confidential.

Airbnb said Wednesday that the number of shares in the company it plans to sell and their price hasn't yet been determined. The timing of the IPO also hasn't been set.

Airbnb, which was founded 12 years ago, has long been expected to go public. Its CEO, Brian Chesky, told The Associated Press this summer that he was working on the IPO documents when the coronavirus pandemic hit the U.S. in March.

The Wall Street Journal reported last week that the company was close to filing.

The pandemic initially hurt demand for the 7 million properties listed by Airbnb. Chesky has said that Airbnb's 2020 revenue will likely be less than half of what the company booked last year.

In May, Airbnb cut 1,900 employees, or around 25% of its workforce. The company funded operations with \$2 billion in loans, including a \$1 billion investment from private equity firms Silver Lake and Sixth Street Partners.

But demand has rebounded some as some travelers see home rentals as safer during the pandemic than crowded hotels. On July 8, the company said guests booked more than 1 million nights' worth of future business. It was the first time that threshold had been reached since March 3.

"Our business has not recovered, but we are seeing encouraging signs," Airbnb said in a post on its website last month.

In a report issued last week, AirDNA—a company that tracks the short-term rental industry—said occupancy rates for short-term rentals have recovered more quickly than those for hotels. Airbnb has also said that rural destinations within driving distance of travelers' homes have seen growing demand.

Renaissance Capital, which follows the IPO market, said in a recent note to investors that market conditions for Airbnb are about as strong as the company can hope for.

Airbnb's IPO "will be a remarkable comeback after the pandemic decimated global travel, and proof that IPO investors think long-term," Renaissance CEO and co-founder William Smith wrote.

IPO activity plunged in March and April but has shown signs of a resurgence more recently. In the second quarter, 38 IPOs raised \$15 billion, Renaissance Capital said. That was up from 25 IPOs that raised \$6.8 billion in the first quarter.

Among the bigger debuts in June was Royalty Pharma, which raised \$2.2 billion, and Warner Music Group, which raised \$1.9 billion.

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