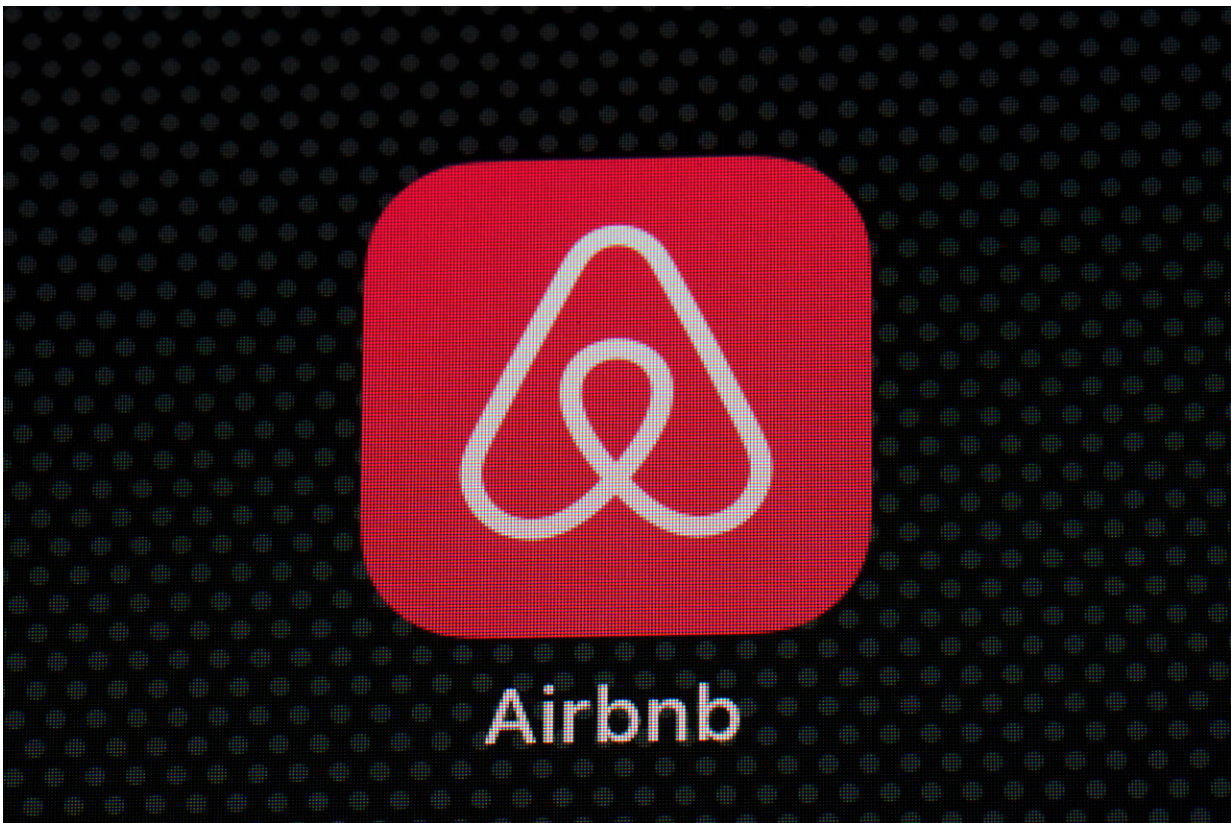


# Airbnb earns \$4.4 billion in 3Q thanks to tax break and higher-than-expected revenue

November 1 2023

---



The Airbnb app icon is displayed on an iPad screen in Washington, D.C., on May 8, 2021. Airbnb reports earnings on Wednesday, Nov. 1, 2023. Credit: AP Photo/Patrick Semansky, File

Airbnb said Wednesday it earned \$4.37 billion in the third quarter as it

booked a large tax benefit and posted higher-than-expected revenue during the summer travel season.

However, the rental giant's forecast of fourth-quarter revenue fell short of Wall Street expectations.

Its shares fell more than 2% in after-hours trading.

Airbnb said that excluding the tax benefit, net income would have been \$1.6 billion, up from \$1.2 billion a year earlier.

Revenue rose 18% to \$3.4 billion as the company saw a 14% increase in bookings and slightly higher average prices for short-term rentals. Analysts expected the San Francisco company to post revenue of \$3.37 billion, according to a FactSet survey.

Airbnb predicted fourth-quarter revenue between \$2.13 billion and \$2.17 billion, below Wall Street's forecast of \$2.18 billion.

"We are seeing greater volatility early in (the fourth quarter), and are closely monitoring macroeconomic trends and geopolitical conflicts that may impact travel demand," the company said in a letter to shareholders.

Airbnb said it booked 113.2 million nights and experiences in the third quarter, up 14% from a year earlier and slightly higher than analysts expected.

The company said, however, that it expects that growth in nights booked will "moderate" in the fourth quarter compared with the third.

The average daily rate for rentals rose 3% to \$161. Airbnb said prices for one-bedroom listings—a recent priority of the company—rose a smaller 1%, which it claimed was less than the rise in hotel rates.

"I do feel like we still have opportunity for our prices to be even more competitive," CEO Brian Chesky said on a call with analysts. "Generally, when hosts lower the prices, they tend to make more money."

Chesky said adding more listings—up 19% from a year earlier in the third quarter, with the biggest increases in Asia and Latin America—will also help tamp down prices.

Airbnb has recently made changes to give consumers a better idea of the total cost of a booking earlier in the search process. The company has also given hosts more information about prices that nearby listings are charging, which it says lets hosts more easily adjust prices to match demand.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Airbnb earns \$4.4 billion in 3Q thanks to tax break and higher-than-expected revenue (2023, November 1) retrieved 30 April 2024 from <https://techxplore.com/news/2023-11-airbnb-billion-3q-profit-tax.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.