

Alternative Accommodations

Airbnb valuation would put it near top of lodging space

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A \$35-billion valuation would position Airbnb behind only Marriott International and Booking Holdings as the largest in the lodging and booking sectors.



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SAN FRANCISCO—The proposed \$35-billion valuation executives with Airbnb are seeking would put it among the highest-valued lodging companies, according to data from the Baird/STR Hotel Stock Index.

(STR is the parent company of Hotel News Now.)

Airbnb announced early Tuesday via an SEC filing that the company was looking to price shares at a maximum of \$50 in its initial public offering, giving it an initial value of roughly \$35 billion. That would be a significant increase over its more recent private valuation of \$18 billion and its highest recorded private valuation of \$31 billion, seen in 2017.

Reaching that lofty target would immediately place Airbnb among the largest companies in the publicly traded lodging sector based on market capitalization.

Among the hotel C-corps on the index, Marriott International is the largest, with a market cap of \$41.2 billion as Tuesday morning. Hilton is in a distant second and would trail Airbnb at its target valuation, with a market cap of \$28.7 billion.

Among hotel-focused real estate investment trusts, Host Hotels & Resorts is far and away the largest with a market cap of roughly \$10 billion, almost three

times the value of its closest competitor but still tens of billions behind the largest C-corps.

A \$35 billion valuation would position Airbnb between the two most prominent online travel agencies Expedia Group and Booking Holdings, which Airbnb officials identified as their top competitors—along with Google—in their initial SEC filing.

As of Tuesday morning, Expedia had a market cap of \$17.6 billion, while Booking was at \$83.1 billion.

Reaching a valuation in that range would be an accomplishment for Airbnb officials in a year their business, along with all global travel, has been rocked by the ongoing coronavirus pandemic. The pandemic derailed earlier plans to file for an IPO in early 2020.

Seeing a rising valuation would also be significant because public filings show the downturn has severely reduced revenue for the company, although officials claim the impact has been less severe than other lodging companies. Even before the downturn, the company had yet to turn an annual profit.

[Click here to read more about Airbnb's initial SEC filing with plans to go public.](#)

The company saw a net loss of \$675 million in 2019 and revenue of \$4.8 billion. Through the first three quarters of 2020, the company had already reported losses of nearly \$697 million with \$2.52 billion in revenue. The company did see \$220 million in net income for the third quarter, though, with \$1.34 billion in revenue for that quarter alone.

Here's a look at the market caps of the Baird/STR Hotel Stock Index companies as of Tuesday morning:

Company	Market cap
Marriott International	\$41.3 billion
Hilton	\$29.2 billion
Host Hotels & Resorts	\$10 billion
Hyatt Hotels Corp.	\$7.3 billion
Choice Hotels International	\$5.6 billion
Wyndham Hotels & Resorts	\$5.4 billion
Park Hotels & Resorts	\$3.8 billion
Ryman Hospitality Properties	\$3.5 billion
Apple Hospitality REIT	\$3 billion
Pebblebrook Hotel Trust	\$2.4 billion
Extended Stay America	\$2.4 billion
Sunstone Hotel Investors	\$2.3 billion
RLJ Lodging Trust	\$2 billion
Xenia Hotels & Resorts	\$1.6 billion
DiamondRock Hospitality	\$1.5 billion
Summit Hotel Properties	\$920 million
Chatham Lodging Trust	\$517.2 million
Hersha Hospitality Trust	\$349.3 million
Braemar Hotels & Resorts	\$169.1 million
Ashford Hospitality Trust	\$145.9 million

Here are market caps for select companies as of the morning of 1 December:

Booking Holdings	\$83.1 billion
AirBNB*	\$35 billion
Expedia Group	\$17.6 billion
Huazhu Hotels Group	\$16 billion
InterContinental Hotels Group	\$11.3 billion
Accor SA	\$9 billion

*Proposed valuation in IPO.

**Correction, 2 December 2020: This story has been updated to correct attribution on a photo credit.*