

# IN THE FACE OF CRISIS AIRBNB SHOWS A CERTAIN RESILIENCE



Pending its IPO (initial public offering), Airbnb unveiled its recent financial results, particularly over the summer period.

As it prepares to go public, Airbnb has just unveiled a 100-page document containing its financial results. Over the summer period, from July to September, **the residential rental platform generated a net profit of \$219 million.** In 2019, its summer profit was slightly higher (\$267 million).

The health crisis and travel restrictions have had a strong impact, the company points out: "During the nine months ending September 30, 2020, our business was significantly affected by the Covid-19 global pandemic," bringing sales to \$18 billion (-39%), for a turnover of \$2.5 billion (-32%).

The group has recorded attrition in sales, which however remains much smaller than for other players in the tourism industry. Airbnb seems to have limited the breakage by taking advantage of the boom in vacations and local getaways.

But, like the whole industry, Airbnb is of course suffering. After raising \$2 billion in loans, the San Francisco-based group announced in May 2020 the layoff of about 25% of its 7,500 employees worldwide. Covid-19, the second wave and travel restrictions continues to have a negative impact on Airbnb's performance.

Until last year, the platform's development continued despite the slump in many cities such as Paris. In 2019, Airbnb generated a gross book value of \$38 billion (+29%), and revenues of \$4.8 billion (+32%).

Worldwide, 54 million people booked 327 million overnight stays and experiences on Airbnb in 2019. **Since the platform's inception, its guests have registered 825 million visitors and total revenues of more than \$110 billion.**

"We believe that the boundaries between travel and living somewhere are becoming blurred and that the pandemic has accelerated opportunities to live anywhere," Airbnb stated. "Our platform has demonstrated its ability to adapt to these new forms of travel. It remains to be seen what will happen in the long term to the activities, which are less promoted than in the past."

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