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Hostelworld Group plc ("Hostelworld" or the "Group")

Trading Update

Strong bookings growth, FY Adjusted EBITDA guidance in line with expectations

Hostelworld is pleased to provide an update on trading up to 30 June 2024 ("H1").

Key highlights:

- Net bookings of 3.7m (+9% YoY) driven by record performances in Asia and Central America
- Net average booking value of €13.60 (-10% YoY) driven by a greater proportion of Asian destination bookings and a slight increase in the proportion of solo customers
- Net revenue of €46.4m (+1% YoY) reflecting the drivers above
- Direct marketing as a percentage of revenue¹ totalled 45%, down 6% from 51% in H1 '23, driving a net margin growth of +23% YoY
- Proportion of bookings from Social Members increased to 80% (74% in Q4 '23)
- Operating costs² of €12.5m, (-2% YoY)
- H1 '24 adjusted EBITDA €9.6m compared to €5.1m in H1 '23, (+88% YoY), representing an increase in adjusted EBITDA margin from 11% to 21%
- Closing cash position of €5.0m and a net debt position of €2.6m, AIB debt facility repaid in full

Looking ahead, the Group is well positioned to capitalise on market demand and reiterates a FY 2024 adjusted EBITDA in line with market consensus³.

Gary Morrison, Group Chief Executive Officer, commented:

"I am very pleased with our performance for the year to date, driven by strong consumer demand for low cost destinations in Asia and Central America. Over the balance of the year, we expect consumer demand for low cost destinations to continue, resulting in revenue growth lagging net bookings growth on a FY basis.

I am also pleased that marketing expense as a proportion of revenue has improved significantly YoY resulting in a 23% increase in net margin YoY driven primarily by our Social Strategy, despite the significant growth in lower cost destinations driving lower ABV's. This net margin growth coupled with our continuing focus on cost has delivered an 88% increase in adjusted EBITDA YoY, which has enabled us to fully repay our residual debt facility with AIB, well ahead of schedule.

Looking ahead, I remain very confident in our growth strategy and that we are well positioned, well financed and firmly on track to deliver against our objectives outlined in our Capital Markets Day presentation in November 2022."

The Group will report its half year results for the six months ended 30 June 2024 on 08 August 2024.

MAR information

This announcement contains inside information for the purposes of Article 7 of the UK version of the Market Abuse Regulation (EU 596/2014) ("MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Caroline Sherry, Chief Financial Officer.

1. Generated revenue is gross revenue less cancellations and excludes impact of deferred revenue.
2. Operating costs exclude paid marketing costs, credit card fees, exceptional costs and share option charges.
3. Company compiled market consensus FY 2024 adjusted EBITDA is €21.4M as of 09 July 2024.

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About Hostelworld Group

Hostelworld Group PLC is a ground-breaking social network powered Online Travel Agent ("OTA") focused on the hostelling category, with a clear mission to help travellers find people to hang out with. Our mission statement is founded on the insight that most travellers go hostelling to meet other people, which we facilitate through a series of social features on our platform that connect our travellers in hostels and cities based on their booking data. The strategy has been extraordinarily successful, generating significant word of mouth recommendations from our customers and strong endorsements from our hostel partners.

Founded in 1999 and headquartered in Ireland, Hostelworld is a well-known trusted brand with almost 230 employees, hostel partners in over 180 countries, and a long-standing commitment to building a better world. To that end, our focus over the last few years has been on improving the sustainability of the hostelling industry. In particular, over the last two years we have commissioned independent research to validate the category's sustainability credentials, and recently introduced a hostel specific sustainability framework which encourages our hostel partners to move to even more sustainable operations and also provides the data points for our customers to make more informed decisions about where they stay. In addition, our customers are now able to offset their trip's carbon emissions should they wish to do so, and we have maintained our 'Funding Climate Action' label awarded by South Pole.

Disclaimer

This announcement contains forward-looking statements. These statements relate to the future prospects, developments and business strategies of Hostelworld. Forward-looking statements are identified by the use of such terms as "believe", "could", "envisage", "estimate", "potential", "intend", "may", "plan", "will" or variations or similar expressions, or the negative thereof. Any forward-looking statements contained in this announcement are based on current expectations and are subject to risks and

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