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

Preliminary results for the year ended 31 December 2024

Adjusted EBITDA delivery in line with consensus and return to net cash

20 March 2025: Hostelworld, a leading global OTA focused on the hostel market, is pleased to announce its preliminary results for the year ended 31 December 2024.

Significant developments

- Growth in social membership and engagement: +2m social members at FY, with message volume growth significantly outpacing booking growth in H2
- 80% of bookings made by social members (+13% pts), fuelling App booking growth of +16% YoY
- Market coverage growth to 77% (+3% pts), driven by platform, resourcing and acquisition process improvements
- Over 2,100 hostels obtained a "Staircase to Sustainability" certification, with another 500 in the pipeline
- Detailed growth strategy and capital allocation update will be provided at a Capital Markets Day on 29 April 2025

Financial highlights

- Full year net bookings totalled 6.9m, an increase of 6% year on year (2023: 6.5m), record performances in Asia and Central America
- Net revenue for the period was €92.0m, a decrease of 1% year on year (2023: €93.3m)
- Net ABV of €13.21, a decrease of 8% year on year (2023: €14.36), driven by shift in consumer demand towards lower cost destinations
- Direct marketing as a percentage of revenue¹ amounted to 46% (2023: 50%), 7% increase in net margin to €46.6m (2023: €43.7m)
- Operating costs² of €24.8m, a decrease of €0.5m year on year, stable as a % of revenue¹, 27% (2023: 27%).
- Adjusted EBITDA of €21.8m, an increase of 19% year on year (2023: €18.4m)
- Profit after tax of €9.1m, an increase of 78% year on year (2023: €5.1m)
- Adjusted EPS 13.97 cent, an increase of 41% year on year (2023: 9.91 cent)
- Return to a net cash position, all bank debt repaid in full, two years ahead of schedule

Balance sheet and cash flow

- Total cash as at 31 December 2024 of €8.2m (2023: €7.5m) and net cash of €2.0m (2023: €12.3m net debt)
- Adjusted free cashflow of €14.4m (2023: €13.9m), 66% cash conversion (2023: 75% cash conversion)

¹ Gross revenue less cancellations

² Operating costs exclude paid marketing costs and credit card fees, and below Adjusted EBITDA items relating to exceptional items, depreciation, amortisation and share option charges

Gary Morrison, Chief Executive Officer, commented:

"In a year marked by lower-than-expected revenue growth, driven by our customers' preference for lower-cost destinations, our social strategy continued to reduce marketing expenses, driving a net margin growth of 7% year-over-year. Combined with disciplined cost control, this resulted in a 19% increase in adjusted EBITDA to €21.8 million. The increase in adjusted EBITDA, coupled with robust cash conversion, enabled early debt repayment and return to a net cash position in the third quarter.

We achieved 6% net booking growth, primarily driven by UK and European travellers opting for lower-cost destinations in Asia. This growth was partially offset by weaker demand for higher-cost European destinations. Consequently, the average net booking value decreased by 8% year-on-year, impacting revenue growth. Pleasingly, booking values returned to growth in the last quarter of 2024, with encouraging trends continuing into the first quarter of 2025 supported by bed price inflation in Asia. I am also proud to report that we continue to advance our ESG agenda by taking responsibility for our carbon emissions and making a climate investment to offset their impact, for which we received a 'Taking Climate Action' silver label from South Pole. We are also collaborating with our hostel partners to highlight the inherent sustainability of hostel accommodation.

Outlook

"Looking ahead, we are confident that our distinctive social strategy will continue to be a key differentiator in the online travel market. We will continue to invest in our technology and expand our social features to enhance the customer experience and drive future growth. A detailed growth strategy and capital allocation update will be provided on the 29 April at our Capital Markets Day."

Analyst Presentation

A presentation will be made to analysts today at 9.00am, a copy of which will be available on our Group website: <http://www.hostelworldgroup.com>. If you would like to dial into the presentation, please contact Sodali on the contact details provided below, or join directly via webcast link provided below.

Webcast Link

https://brmedia.news/HSW_PR24

For further information please contact:

Hostelworld Group plc

Gary Morrison, Chief Executive Officer
Caroline Sherry, Chief Financial Officer
David Brady, Head of Commercial Finance

Corporate@hostelworld.com

About Hostelworld

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 'Taking 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 uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, Hostelworld's actual results may vary materially from those expected, estimated or projected. Any forward-looking statements speak only as at the date of this announcement. Except as required by law, Hostelworld undertakes no obligation to publicly release any update or revisions to any forward-looking statements contained in this announcement to reflect any change in events, conditions or circumstances on which any such statements are based after the time they are made.

Chairman's Statement: Ulrik Bengtsson

"This year saw even more customers engage with our innovative social network, with a record two million social members and 80% of all 2024 bookings made by social members. To truly understand the impact, I engaged directly with our platform's community, witnessing first-hand how our social strategy drives connection. As we move forward, the Board is confident that our unique social strategy will continue to be a central driver of our growth."

I was privileged to join the Hostelworld Board as a Non-Executive Director, Chair Designate and member of the Nomination Committee and Remuneration Committee on 02 May 2024, and to subsequently succeed Michael Cawley as Chairman of the Board and Chair of the Nomination Committee on 10 October 2024. On behalf of the Board, I wish to pay tribute to Michael for his commitment and dedication to the success of the Group throughout his years of service.

Overview

I must admit that prior to joining Hostelworld, I had never stayed at a hostel. This summer, I embarked on a research trip to deepen my experience of hostelling, travelling by car from the UK to Sweden and staying exclusively in hostels. It was a valuable and insightful experience. I witnessed first-hand the power of our app's social features to forge genuine connections among travellers. In every hostel, I saw and experienced the unique sense of community and togetherness that hostelling cultivates. These observations validated the strategic importance of our social features - features which truly connect travellers to enrich travel experiences in a way no other app does. The insights gained this summer have reinforced my belief that these social features, with a strong roadmap of innovative enhancements provide a solid foundation that is the bedrock for future growth. Our social strategy will evolve but remains core to our long-term success. Consequently, the Board remains confident in the strength of our business model and the enduring appeal of the hostelling experience for our customers.

Enhancing Social Connectivity and Engagement

Our social strategy, launched in 2022, has proven to be a key differentiator for Hostelworld, driving customer engagement and contributing to a lower cost of customer acquisition and increased customer lifetime value. During 2024 we remained focused on expanding our active customer base and enhancing engagement with our customers through our social network, developing and launching product features which improved their travel experiences. We continued to enrich the social core of our platform by expanding profile information to enable customers to create more personalised experiences and introducing a hangout status and enhanced chat functionality to improve interaction quality and quantity. Building on this momentum, we continue to augment and refine our platform's social features to offer more personalisation and opportunities for genuine community and connection.

As we look to the future, we are fully committed to growing the company. Our strategy is focused on connecting travellers, driving sustainable growth, and creating long-term value for our shareholders. Within this framework, the Board is confident there are many avenues for growth available to us; expanding our social features, monetising our traffic and expanding our inventory to meet our customer needs. We will provide a detailed update on our strategy as part of our Capital Markets Day being held on 29 April 2025.

Our People

Since joining the Board, I have had the opportunity to engage with the executive team on multiple occasions throughout the year and I am extremely impressed with the quality and dedication that I saw. Central to Hostelworld's continued success is the unwavering dedication, hard work, and commitment of our people. We are fortunate to attract and retain talented and committed employees from a diversity of backgrounds in all areas of the business.

In 2024, Hostelworld celebrated its 25th anniversary and this milestone occasion was marked by bringing the Company together in Dublin to celebrate 25 years of connecting travellers and launch a new Culture Code that supports the vibrant culture at Hostelworld. The Culture Code, developed collaboratively across the organisation, was created to define, and reflect the shared beliefs and values of the Hostelworld team that promotes equality and dignity at work and ensures everyone feels they belong.

Cash Generation and Capital Allocation

Our principal objective is to deliver growth and long-term sustainable value for our shareholders while maintaining a strong balance sheet. The cash generative nature of the business allowed for the repayment, in June 2024, of the remaining bank borrowings, in full and two-years ahead of schedule. At the end of 2024, the business had returned to a net cash position of €2.0m (2023: net debt €12.3m). We continue to hold an interest-free warehoused debt facility with the Irish Revenue Commissioners with whom we have agreed a repayment plan. We made an initial instalment in May 2024 of 15% of the outstanding facility and will make monthly payments of the remaining balance over a three-year period until April 2027.

We are now focused on ensuring our capital is efficiently spent to grow the company. Having said that the Board is aware of the importance of also returning capital to shareholders and assessing capital allocation was again a key issue considered by the Board during the second half of 2024. Following detailed consideration of the issue, which involved assessing the differing views of shareholders whom I met following my appointment as Chairman in October 2024, the Board decided that the payment of dividends would not currently be in the best interests of the business. Accordingly, the Company will not be paying a dividend in respect to the 2024 financial year. A thorough overview of capital allocation plans will be provided at our Capital Markets Day on 29 April 2025.

Sustainability

While our strategy obviously includes running a profitable growing business that our people enjoy working for, within that we recognise and prioritise the importance of minimising our environmental impact and promoting responsible travel.

Accompanying targets previously set for Scope 1 and 2 emissions that we control, in 2024 we went further, by setting a target to reduce our Scope 3 emissions arising through our value chain. We were awarded the 'Taking Climate Action' silver label by South Pole, a leading climate solutions partner, for the fourth consecutive year in recognition of our commitment to reducing and controlling our emissions.

Our bespoke 'Staircase to Sustainability' framework, which helps hostels assess and communicate their sustainability credentials to customers in a transparent way, has grown significantly in its first year with over 2,100 properties obtaining the GSTC accreditation. These accredited hostels have seen an increase in customer demand, with customers preferring to choose the more sustainable accommodation option. We also marketed and published a new series of hostel sustainability content stories in 2024 to highlight some of the incredible work being completed by our hostel partners in this vital area. We made sustainability a central theme at our annual 'HOSCARS' awards event for hostel partners, celebrating the best-in-class hostels who had made significant progress on their sustainability journeys.

Board Changes

Paul Duffy joined the Board as Non-Executive Director and member of the Audit Committee, Nomination Committee and member and Chair of the Remuneration Committee on 02 May 2024. Paul is an experienced Chief Executive Officer with extensive knowledge of the consumer industry and brings significant strategic and brand experience, having served previously as Chairman and CEO of Pernod Ricard North America. Paul is currently a Non-Executive Director and Audit Committee Chair, Remuneration Committee member and Development Committee member of Glanbia, plc. Carl G. Shepherd (Senior Independent Director) stepped down as Chair of the Remuneration Committee on the same date and continues as a member of the Remuneration Committee. I look forward to Paul making a significant contribution to the Board in the years ahead.

Conclusion

While the Board is proud of our achievements, we remain focused on the future, convinced of the important role played by Hostelworld in the online travel industry and the Group's ability to grow and develop the business for the benefit of all our stakeholders. The business is well positioned with an innovative product offering that resonates with our customers and a business model underpinned by cost discipline and operational excellence. On behalf of the Board, I would like to extend my sincere thanks to Gary and the Executive Management team for their leadership and the wider organisation for their contribution to the ongoing success of the Group. I also want to thank our customers, suppliers and other stakeholders for their continued confidence and partnership.



Ulrik Bengtsson
Chairman
19 March 2025

Chief Executive Officer's Review: Gary Morrison

"In a year marked by lower-than-expected revenue growth, driven by our customers' preference for lower-cost destinations, our social strategy continued to reduce marketing expenses driving net margin growth of 7% year-over-year. Combined with disciplined cost control, this resulted in a 19% increase in adjusted EBITDA to €21.8 million. The increase in adjusted EBITDA, coupled with robust cash conversion, enabled early debt repayment in June 2024 and return to a net cash position in the third quarter. Overall, I remain confident that our unique social strategy within the online travel industry will continue to provide a solid platform for future growth. A detailed growth strategy and capital allocation update will be provided on 29 April."

We achieved 6% net booking growth, primarily driven by UK and European travellers opting for lower-cost destinations in Asia. This was particularly evident in the first half of the year, with a 43% year-on-year increase, and 31% overall. However, weaker demand for higher-cost European destinations partially offset this. Consequently, the average net booking value decreased by 8% year-on-year, impacting revenue growth. As the year ended, booking values returned to growth, primarily driven by increased bed prices in Asia.

Our app-based social strategy continued to drive growth in bookings from Social Members (80% in FY 2024 compared to 67% in FY 2023). App bookings increased by 16% year-on-year, contributing to a 7% rise in net margin. Coupled with strict cost control, this resulted in €21.8 million in adjusted EBITDA, a 19% year-on-year increase. Overall, these results and our strong cash conversion allowed us to repay our three-year debt facility two years ahead of schedule and return to a net cash position in Q3 2024.

Finally, we continue to advance our ESG agenda by taking responsibility for our carbon emissions, for which we received a "Taking Climate Action" silver label from South Pole. We are also collaborating with our hostel partners to highlight the inherent sustainability of hostel accommodation.

Executing our Growth Strategy

Throughout 2024, we continued to implement our highly distinctive social network growth strategy, in line with our company mission to 'help travellers find people to hang out with'.

Our innovative social network uses customer booking data to create chat rooms and private messaging channels, accessible through our iOS and Android apps, connecting customers with overlapping stay dates in hostels and cities. These chat rooms are divided into two types: hostel-based and city-based. Hostel-based chat rooms connect customers staying in the same hostel on the same dates, while city-based chat rooms connect customers staying in any hostel within the same city on the same dates. City-based chatrooms are further organised by themes, such as drinks and dancing, walking tours and food, allowing customers to easily find other travellers with similar interests visiting the same city at the same time. The chat rooms and private messaging channels are available to customers who opt into the social platform 14 days before check-in and close three days after check-out.

Since launching our social network in Q2 2022, we have seen continued growth in both membership and engagement. In Q4 2024 we passed the two million social member milestone, with 80% of all bookings in 2024 made by social members, up from 67% in 2023. This membership growth has been matched by even stronger growth in engagement, with message volume significantly outpacing booking growth among social members. These members are also highly valuable, making approximately twice as many bookings and being three times more likely to use the app within the first 91 days of joining compared to non-members. This social strategy has not only driven growth in net bookings since its launch but has also

compared to non-members. This social strategy has not only driven growth in net bookings since its launch but has also fuelled a 16% year-on-year increase in app bookings compared to the global average of 6% in 2024. This shift towards app usage has reduced marketing expenses as a percentage of generated revenue, from 50% in 2023 to 46% in 2024.

In Q3 2024, we streamlined the social member onboarding process, making it easier for new members to complete their profiles. We also expanded profile options to include travel interests, lifestyle preferences and personal pronouns. We also launched our first recommendation engine, which orders profiles in a homepage carousel based on users' past engagement on the platform. Since its launch, we have seen a twofold increase in direct messages sent to users featured in the carousel in Q4 2024 compared to the same period in 2023, along with a similar rise in response rates. We plan to use these interactions and profile data to refine the recommendation engine's performance in 2025.

Finally, we enhanced the chat rooms with search and filtering tools for message content and streamlined the reply function. These changes have significantly improved response rates to open chat room messages in 2024, with replies to initial messages increasing by 1.5 times from the second to the fourth quarter.

Overall, our social network continues to significantly enhance the hostelling experience for our customers by helping them find people to hang out with. Looking back at 2024, we have seen a notable increase in our customers sharing stories on social media about how Hostelworld has helped them forge new friendships. These stories range from people joining potlucks with fellow travellers in Vietnam and finding companions for pub crawls and gondola rides, to solo concert-goers bonding over their shared love for Adele. Providing a platform where people can meet new friends, even far from home, and facilitating lasting connections is an incredibly rewarding part of our work. We are proud to continue enabling these experiences every day.

Expanding our Inventory Coverage

Alongside our ongoing work on our social platform, we have continued to hire more staff in our regional offices to strengthen local acquisition efforts. We also streamlined the sign-up and onboarding processes for new hostels, broadened the range of channel managers we support, and improved the Linkups platform. These improvements have led to a 16% increase in new hostels entering our acquisition pipeline and a 31% reduction in the time required to onboard them. Collectively, these initiatives increased our market coverage from 74% in 2023 to 77% in 2024.

The Linkups platform is a unique product for the hostel category, enabling hostels to promote their events and activities to all Hostelworld customers on our social platform who have matching stay dates in the same location. Throughout 2024, we focused on simplifying the platform's content loading and management functionality, adding features such as custom images, enhanced location functionality, and automatic extension of recurring events. Over 40,000 individual events were uploaded during the year, resulting in 80% of Hostelworld customers being able to see at least one Linkup during their trip. User participation with the Linkups platform increased by 50% compared to the previous year.

Investing in our Platform

Over the past year, we have continued to migrate our core services to a flexible microservices-based architecture with application-level on-demand scaling, and integrated off-the-shelf services from our cloud service provider into our platform. These services include state-of-the-art artificial intelligence and machine learning optimisation engines, which now power some of our key services.

We expect this core services upgrade programme to be completed in H1 2025, providing a strong foundation for modernising other legacy areas of our platform as we deliver new features aligned with our growth strategy. Overall, this multi-year effort has delivered significant benefits, including improved monitoring, faster service speeds, reduced error rates and faster development velocity.

Leveraging our cloud-native architecture has allowed us to make good progress towards our goal of transitioning our infrastructure from periodic manual configurations to infrastructure as code. This helps eliminate single points of failure and dramatically improves the scalability and resilience of our systems, while also reducing our hosting costs.

Progressing our ESG Agenda

The importance of sustainability across the travel industry has continued to grow in recent years. Within the hostel sector, the majority of young travellers say that a hostel's sustainability credentials influence their accommodation choices, and they actively select hostels over other options because of their positive sustainability practices.

Our hostel partners are also investing in more sustainable operations and looking for simple sustainability management systems that align with travel industry standards, enabling them to showcase their efforts. More broadly, across the travel sector and other industries, there are increasing demands for companies like Hostelworld to take further action to address climate change risks and provide detailed disclosures about their work.

During 2024, we continued our collaboration with Bureau Veritas, updating the calculation of scope 1 and 2 emissions for a representative group of hostels (a 24% year-on-year increase) and comparing these with publicly available emission data from major hotel chains. The second edition of this report, published in February 2024, confirmed that hostelling produces significantly fewer (-82%) scope 1 and scope 2 emissions (tCO₂e) per bed night compared to a one-night stay in a typical hotel. Furthermore, the analysis showed that the sustainability gap between hostels and hotels has widened, with hostels reporting a year-on-year reduction in average emissions, while hotel emissions increased.

Our work in 2024 also focused on increasing the use of our bespoke 'Staircase to Sustainability' platform within the hostelling category, which launched in Q1 2024. As previously reported, we invested in developing this platform throughout 2023 with three objectives: aligning the platform's data to GSTC standards to ensure robust, traceable, and comparable sustainability classifications; making the platform accessible to smaller hostel owners, who often find existing systems too costly or time-consuming; and enabling hostel partners to showcase their sustainability credentials to our customers and encourage further progress. This framework includes a data collection process within our existing hostel extranet portal, a system to determine each hostel's sustainability classification, and a "badge" to display this classification on our website and mobile apps. Since its launch, we have seen strong uptake by our hostel partners, with over 2,100 hostels completing the assessment and receiving a classification, and another 500 in the pipeline. We've also started to see increased engagement from customers with hostels who have published their sustainability credentials on our platform. We are proud to champion sustainability in the hostel industry and excited to see the impact of this framework.

For the past four years, we have focused on reducing our own scope 1 and scope 2 carbon emissions, setting reduction targets in line with the Corporate Net Zero Standard framework published by the Science Based Targets initiative, founded by the UN. In 2024, we expanded this work to include scope 3 emissions, with a target to reduce these by 90% by 2040. More details of these programmes are contained within the Sustainability Report. Finally, I am pleased to report that South Pole awarded Hostelworld silver status in 2024 for "Taking Climate Action" in recognition of our commitment to calculating our carbon footprint, reducing our emissions, and contributing to climate action projects to offset unavoidable emissions.

Investing in our Employees, Hostel Partners and Communities

This year, we proudly celebrated a major milestone: Hostelworld's 25th anniversary. In September, we marked the occasion by recognising the invaluable contributions of all our employees, with special recognition for those with longer tenures. This was a great opportunity to reflect on the strength of a culture that continues to drive our success. Across the globe, our teams have built a workplace defined by inclusivity, collaboration, and shared purpose. We were thrilled to see this commitment acknowledged externally with the Special Recognition Award at the Irish Diversity in Tech Awards. A highlight of the year was the introduction of our Culture Code, which captures the essence of what makes us "us". This framework outlines our shared mission, values, and behaviours, focusing on growth, collaboration, adaptability, and inclusivity. It helps ensure we continue to nurture our vibrant culture as our people managers recruit outstanding talent, and it enhances the onboarding experience for new team members, particularly in our hybrid working model.

In addition, we have expanded our B2B marketing programmes with Hostelworld-hosted conferences in Chiang Mai in April, Copenhagen in September, and Mexico City in November. These flagship events provide us with opportunities to promote our strategy, share industry trends, and gather feedback, and also to engage with local governments on the importance of

the hostelling sector to local tourism growth. Alongside these conferences, we have presented at and hosted numerous events around the world over the past year, and delivered multiple webinars in all major languages and regions. Furthermore, we continue to expand our global markets team to meet our valued hostel partners in person and provide detailed guidance on how to use the breadth of our platform to maximise their business growth. Finally, we are pleased to see continued company-wide engagement in our efforts to build a better world. Employees continue to actively participate in volunteering, making a difference in their local communities through both team and individual activities. This year, we expanded our focus to better support neurodiverse candidates and employees by partnering with expert organisations. These partnerships provide tailored resources and programmes to empower individuals and celebrate diverse talents, fostering a better understanding of diverse needs. Combined with our ongoing charity partnerships and financial support initiatives, these efforts demonstrate our employees' passion for making a meaningful difference.

Summary

In summary, 2024 presented challenges with lower-than-expected revenue growth due to a shift towards lower-cost destinations. However, our unique social strategy proved resilient, driving an increase in Social Member bookings and app usage, ultimately resulting in net margin growth of 7% year-over-year and adjusted EBITDA growth of 19% year-over-year. We successfully navigated these challenges, achieving net booking growth, early debt repayment, and a return to a net cash position. We also continued to advance our ESG agenda, receiving recognition for our commitment to reducing our carbon footprint and promoting sustainable travel options. Looking ahead, we are confident that our distinctive social strategy will continue to be a key differentiator in the online travel market. We will continue to invest in our technology and expand our social features to enhance the customer experience and drive future growth. Finally, I would like to thank our employees for their dedication and commitment throughout the year, and our shareholders for their ongoing support as we execute our growth strategy.



Gary Morrison
Chief Executive Officer
19 March 2025

Chief Financial Officer's Review: Caroline Sherry

"Hostelworld's strategic focus on social features continues to distinguish us within the online travel sector. We achieved record booking volumes in key growth markets, while simultaneously demonstrating rigorous cost management and reducing marketing expenditure, culminating in a 19% increase in Adjusted EBITDA year on year. The accelerated repayment of the Group's debt with AIB, completed two years ahead of schedule and our return to a strong net cash position during 2024, provides a solid financial foundation, empowering us to pursue our next phase of strategic growth and deliver sustained value to our shareholders."

Financial Highlights

	2024	2023		2024	2023		2024	2023
Net Bookings	6.9m	6.5m	Generated Revenue¹	€91.5m	€93.7m	Net Revenue	€92.0m	€93.3m
Net Average Booking Value ("ABV")¹	€13.21	€14.36	Direct Marketing Costs as a % of Generated Revenue¹	46%	50%	Administration Expenses	€71.8m	€76.6m
Profit for the Year	€9.1m	€5.1m	Basic EPS	7.28 cent	4.21 cent			
Adjusted EBITDA¹	€21.8m	€18.4m	Adjusted EBITDA Margin¹	24%	20%			
Adjusted Profit after Tax¹	€17.4m	€12.0m	Adjusted EPS¹	13.97 cent	9.91 cent			
Cash	€8.2m	€7.5m	Net Cash/(Debt)¹	€2.0m	(€12.3m)	Cash Conversion¹	66%	75%

¹The Group uses Alternative Performance Measures ("APMs") which are non-IFRS measures to monitor the performance of its operations and of the Group as a whole. These APMs along with their definitions and rationale are provided in the Appendix 1.

Revenue

Net bookings of 6.9m, grew year on year by 6% (2023: 6.5m) with this growth driven primarily by growth in bookings from UK and European travellers to lower cost destinations. Both Asia and Central America recorded record booking volumes. This change in customer trends was the primary driver of an 8% decrease in net ABVs, with net ABV reducing to €13.21 (2023: €14.36).

Generated revenue, which comprises of gross revenue less cancellations, declined 2% year on year to €91.5m, (2023: €93.7m) because of lower ABV. Net revenue, after considering adjustments for deferred revenue, ancillary revenue streams (featured listings), vouchers, refunds and other accounting adjustments, declined 1% year on year to €92.0m (2023: €93.3m). Within these adjustments, the most notable is featured listings advertising revenue, revenue generated from hostels advertising on our platform, which grew to €2.0m (2023: €1.2m).

Costs and Profitability

Administrative expenses totalled €71.8m (2023: €76.6m), a decrease of €4.8m year-on-year. The Group's direct marketing costs decreased by €4.1m to €42.5m (2023: €46.6m). Marketing % of generated revenue amounted to 46%, a 4% reduction compared to prior year (2023: 50%). This reduction in marketing spend was aided by Hostelworld's app-centric social strategy with App bookings growing 16% year on year and the proportion of bookings made by Social Members increasing to 80% (2023: 67%). This has further contributed to a 7% increase in net margin to €46.6m (2023: €43.7m).

Wage and salaries reduced €0.7m, year on year, to €19.0m (2023: €19.7m), with the combined impact of wage inflation and modest headcount increase (2024: 227, 2023: 223), offset by lower discretionary compensation.

With a continued focus on cost management, other operating costs' key components remained largely in line year on year, most notably credit card fees of €2.9m (2023: €3.0m) and platform operating costs of €3.2m (2023: €3.2m), despite the

increase in booking volumes. The Group incurred a foreign exchange loss of €0.1m (2023: €0.2m). Current year loss arose with the strengthening of the US dollar against the Euro in the second half of the year.

Profitability metrics increased year on year with an adjusted EBITDA of €21.8m (2023: €18.4m) in line with our market guidance and represented growth of €3.4m, +19% compared to prior year. Operating profit amounted to €11.3m, +126% compared to PY, 2023: €5.0m.

Exceptional Items

Exceptional items warrant separate disclosure due to their nature or materiality. The Group incurred no exceptional items in 2024. Prior period exceptional items relate to costs incurred on refinancing of a legacy COVID-19 debt facility with HPS totalling €3.6m, broken down as €0.7m of early repayment penalty interest, €0.1m of transaction costs relating to exiting the old facility and €2.8m accelerated interest costs which relate to transaction costs capitalised on drawdown of HPS facility in February 2021, which were expected to be amortised over a five-year period to 2026, but unwound in full on refinancing.

Impairment of Associate

In 2019 the Group made an investment in an associate called Goki Pty Limited ("Goki"), a start-up focused on the sale and supply of locks to hostels and other accommodation providers. Goki's sales pipeline was heavily impacted by COVID-19 and it operates in a market that has experienced a sharp increase in competitors in recent times. The Group recognised an impairment of €1.2m as at 31 December 2024, reducing carrying value of its investment in Goki to nil, based on a deteriorating performance and 2025 projections.

Other Income

An amount of €1.3m has been recognised in other income relating to a revision in the probability of payment and subsequent unwind of a balance sheet provision for amounts owed to customers from bookings cancelled due to COVID-19 related travel restrictions. The Group determined that the possibility of an outflow of economic benefit is remote despite attempts to settle payment.

Share-Based Payment

The Group incurred a total share-based payment expense of €1.8m (2023: €1.7m) arising on the issuance of options in accordance with the Group's Restricted Share Awards ("RSU") and Long-Term Incentive Plans ("LTIP"). On 29 April 2024, 1,345,870 shares were issued to satisfy long term incentive plan awards in relation to LTIP 2021. 100% of the related performance obligations were satisfied. On 03 May 2024 a new LTIP plan of 1,909,075 awards was struck for executives and key members of the Hostelworld team.

Net Finance Costs

The Group incurred €0.3m of finance costs (2023: €2.5m), driven by interest costs arising on the Group's AIB facility totalling €0.4m, offset by a credit recognised of €0.2m relating to the release of interest on debt warehoused no longer required. Prior period expense relates to AIB and HPS finance interest costs with decrease in costs year on year driven by the refinancing completed in May 2023 and repayment of AIB facility in June 2024.

Earnings per Share

Basic earnings per share for the Group amounted to 7.28 € cent (2023: 4.21 € cent), and adjusted earnings per share amounted to 13.97 € cent per share (2023: 9.91 € cent per share) with the return to profitability, of both metrics, reflective of the business's strong performance.

Current and Deferred Taxation

The Group corporation tax charge for 2024 is €0.3m (2023: €0.2m) and relates to our international operations where tax losses from our Irish operations cannot be utilised.

The Group deferred tax charge amounted to €1.7m (2023: credit of €6.4m). In 2023 the Group recognised an additional deferred tax asset of €6.4m arising from prior year trading losses and interest relief which had no expiry date and can be carried forward indefinitely. The asset recognised in the prior year is being unwound to the Income Statement to align to how the tax losses and interest relief is being utilised. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which any unused tax losses and unused tax credits can be utilised. The Group has no unrecognised deferred tax assets.

Net Cash and Financing

At the balance sheet date, the Group had repaid in full its AIB debt facility, two years ahead of schedule, and had a closing net cash position of €2.0m (2023: net debt €12.3m). The repaid facility comprised of a €10m term loan repaid in full in June 2024 (€1.7m in 2023, €8.3m in 2024), a €7.5m revolving credit facility repaid in full in Q1 (€5.5m in 2023, €2.0m in 2024) and an undrawn €2.5m overdraft. At the date of repayment all security and covenant requirements held by AIB were released. The Group continues to hold an undrawn €2.5m overdraft facility with AIB.

The AIB facility replaced a €30m debt facility drawn down in February 2021 with HPS Investment Partners, following a refinancing in May 2023.

Cash conversion reduced to 66%, (2023: 75%), driven by an increase in working capital. 2024 closing cash balance of €8.2m (2023: €7.5m) with €6.2m warehoused debt outstanding (2023: €9.6m).

Debt Warehoused

During COVID-19, the Group availed of the Irish Revenue Commissioners tax warehousing scheme and warehoused €9.4m by deferring payment of all Irish employer taxes from February 2020 to March 2022. The Group agreed a repayment plan with the Irish Revenue Commissioners of a 15% downpayment in May 2024, followed by regular monthly repayments thereafter over a three-year period. Monthly payments will continue over a three-year period to April 2027. Total amount warehoused at 31 December 2024 was €6.2m (2023: €9.6m). In February 2024 the Irish Revenue Commissioners announced that 0% interest would apply to debt warehoused, with the reduction in rate applying to any interest amounts accrued to date. As a result, the Group wrote-off €0.2m of an interest charge. The Group continues to monitor and comply with the appropriate Revenue guidelines applicable to this scheme.

Deferred Revenue

The deferred revenue provision at year end totalled €3.5m (2024: €3.9m), of which €3.2m (2023: €3.4m) related to a provision for bookings made under the free cancellation policy, where a customer can cancel and receive a refund. The balance is comprised of deferred revenue for our featured listing and *Roamies* products. This provision balance will unwind in 2025.

Development Labour

As a technology company Hostelworld places a focus on fostering innovation and investing in its technology. In 2024 development labour intangible asset additions totalled €5.5m, (2023: €4.0m), with an increase year on year driven by the nature of work completed, wage inflation and increased external contractors engaged to assist on delivery of product features.

Work completed in 2024 related to delivering additional features on our social platform including 'hang outs', an evolution of Linkups, enriched profiles and chat functionality, modernising our platforms, and revamping our hostel activations process. Development labour includes internal development labour of €3.7m (2023: €2.9m) relating to staff costs capitalised during the year, and external development labour of €1.8m (2023: €1.1m) relating to external contractors who have specialist skills.

Principal Risks and Uncertainties

The Board of Hostelworld Group plc holds overall responsibility for risk and sets the Group risk appetite including determining the extent of risk that is tolerable in pursuit of its strategic objectives. The Board, together with the Audit Committee conduct a detailed formal half-year and full-year review of the risk register, including emerging risks and the mitigating actions that are in place. Emerging risks are identified from areas of uncertainty, which may not have a significant impact on the business currently but may have the potential to adversely affect the Group in the future. There is one emerging risk in the current year relating to artificial intelligence. Artificial intelligence is an emerging technology with wide-ranging impacts for cyber and data security, competition and third-party management amongst other areas. Although it includes significant crossover with existing risks the pervasiveness and rapid pace of change warrants assessment on a standalone basis. The risk associated with the Group's successful execution of strategy is a new risk in the current year, as we have moved forward from COVID-19, formally repaid our debt facilities, and are focused on delivering against the ambitious targets set in our 2022 Capital Markets Day and sharing our targets at our 2025 Capital Market Day. Financial risk has been removed as a principal risk. We repaid our term loan facility in full during 2024 and while there remains a certain level of foreign exchange movement risk this is not material to the Group and no longer represents a primary risk. The Group's principal risks and uncertainties which are summarised in the risk profile table below. The Group actively manages these and all other risks through its risk management and internal control processes.

	Strategic and External Risk	Technological, Cyber and Data Risk	Financial Risk	Operational and Regulatory Risk
	Any external risks outside of the Group's control impacting our business.	The systems we use to power our business, and the data we hold.	Integrity of reporting and viability of the Group.	The processes and people we use to power the Hostelworld model.
Risks newly disclosed	Execution of strategy			
Emerging risk		Artificial Intelligence		
Increased level of risk		Data Security Cyber Security		
Unchanged level of risk	Macroeconomic Conditions Competition Impact of Uncontrollable Events	Platform Evolution and Innovation Marketing Optimisation	Taxation	People Brand and Reputation Third-party Reliance Climate Change and Sustainability Regulation Business Continuity
Removed due to reduced level of risk			Financial	

Investor Relations

The Group has a proactive approach to investor relations. The release of our annual and interim results, along with quarterly trading updates, provide regular information regarding our performance and are accompanied by presentations, webcasts and conference calls. In May 2024, an AGM was held providing engagement channels for our shareholders to send advance questions to the Board, with all details relating to the AGM published on the Company's website.

We held a number of investor roadshows and attended industry conferences. These engagements provided us an opportunity for the management team to meet existing and/or potential investors and analysts in a concentrated set of meetings. This direct feedback and input on the investor community's perspective of the Company is reflected upon to ensure that our investor relations communications remain meaningful and effective.

Dividend

The Board does not expect to pay a cash dividend, under its current policy, in respect of the 2024 financial year. Any payment of cash dividends will be subject to the Group's cash position, Group strategy, and subject to compliance with Companies Act 2006 requirements regarding ensuring sufficiency of distributable reserves at the time of paying the dividend. A detailed growth strategy and capital allocation update will be provided on 29 April 2025 as part of our Capital Markets Day.



Caroline Sherry
Chief Financial Officer

HOSTELWORLD GROUP PLC

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

		2024		2023	
		Total	Pre-exceptional	Exceptional	Total
	Notes	€'m	€'m	(Note 5) €'m	€'m
Revenue	3	92.0	93.3	-	93.3
Operating expenses	4	(80.9)	(88.2)	(0.2)	(88.4)
Other income	6	1.3	-	-	-
Impairment of investment in associate	12	(1.2)	-	-	-
Share of results of associate	12	0.1	0.1	-	0.1
Operating profit		11.3	5.2	(0.2)	5.0

Finance income		0.1	-	-	-
Finance costs		(0.3)	(2.5)	(3.6)	(6.1)
Profit/(loss) before taxation		11.1	2.7	(3.8)	(1.1)
Taxation (charge)/credit	8	(2.0)	6.2	-	6.2
Profit for the year attributable to the equity owners of the parent Company		9.1	8.9	(3.8)	5.1
Basic earnings per share (euro cent)	9	7.28			4.21
Diluted earnings per share (euro cent)	9	7.01			4.07

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 €'m	2023 €'m
Profit for the year	9.1	5.1
Items that may be reclassified subsequently to profit or loss:		
Nil	-	-
Total comprehensive income for the year attributable to equity owners of the parent Company	9.1	5.1

HOSTELWORLD GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	2024 €'m	2023 €'m
Non-current assets			
Intangible assets	10	63.5	66.5
Property, plant and equipment		0.5	0.8
Deferred tax assets	11	13.8	15.5
Investment in associate	12	-	1.1
Cash and cash equivalents		-	0.8
		77.8	84.7
Current assets			
Trade and other receivables		4.5	3.3
Corporation tax		-	0.1
Cash and cash equivalents		8.2	6.7
		12.7	10.1
Total assets		90.5	94.8
Issued capital and reserves attributable to equity owners of the parent			
Share capital	13	1.3	1.3
Share premium	13	14.4	14.4
Other reserves	14	3.0	2.9
Retained earnings		51.4	40.6
Total equity attributable to equity holders of the parent Company		70.1	59.2
Non-current liabilities			
Non-current debt			
Debt warehoused	15	3.5	6.4
Borrowings	17	-	4.8
Lease liabilities		-	0.1
		3.5	11.3
Current liabilities			
Current debt			
Debt warehoused	15	2.7	3.2
Borrowings	17	-	5.4
Trade and other payables			
Trade payables	16	4.1	3.3
Deferred revenue	16	3.5	3.9
Accruals and other payables	16	6.0	7.8
Lease liabilities		0.3	0.5
Corporation tax	8	0.3	0.2
		16.9	24.3
Total liabilities		20.4	35.6
Total equity and liabilities		90.5	94.8

Hostelworld Group plc registration number 9818705 (England and Wales)

HOSTELWORLD GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

		Share capital	Share premium	Retained earnings	Other reserves	Total
	Notes	€'m	€'m	€'m	€'m	€'m
Balance at 01 January 2023		1.2	14.3	30.3	6.4	52.2
Issue of shares		0.1	0.1	-	-	0.2
Total comprehensive income for the year		-	-	5.1	-	5.1
Credit to equity for equity settled share-based payments		-	-	-	1.7	1.7
Transfer of exercise, vesting or expiry of warrants		-	-	3.1	(3.1)	-
Transfer of exercised and expired share-based awards				2.1	(2.1)	-
Balance at 31 December 2023		1.3	14.4	40.6	2.9	59.2
Issue of shares	13	-	-	-	-	-
Total comprehensive income for the year		-	-	9.1	-	9.1
Credit to equity for equity settled share-based payments	14	-	-	-	1.8	1.8
Transfer of exercised and expired share-based awards	14	-	-	1.7	(1.7)	-
Balance at 31 December 2024		1.3	14.4	51.4	3.0	70.1

HOSTELWORLD GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		€'m	€'m
Cash flows from operating activities			
Profit for the year		9.1	5.1
Taxation charge/(credit)		2.0	(6.2)
Profit/(loss) before tax		11.1	(1.1)
Amortisation and depreciation	4	9.1	11.8
Share of results of associate	12	(0.1)	(0.1)
Impairment of investment in associate		1.2	-
Non-cash movements in provisions		(1.3)	-
Financial income		(0.1)	-
Finance expense		0.3	2.5
Finance expense (exceptional)		-	3.5
Employee equity settled share-based payment expense		1.8	1.7
Changes in working capital items:			
(Decrease)/increase in trade and other payables		(0.2)	2.4
Increase in trade and other receivables		(1.2)	-
Cash generated from operations		20.6	20.7
Interest paid (including lease interest)		(0.3)	(3.0)
Interest received		0.1	-
Income tax paid		(0.1)	(0.3)
Net cash generated from operating activities		20.3	17.4
Cash flows from investing activities			
Acquisition / development of intangible assets	10	(5.5)	(4.0)
Purchases of property, plant and equipment		(0.1)	(0.1)
Net cash used in investing activities		(5.6)	(4.1)
Cash flows from financing activities			
Drawdown of borrowings	17	-	17.4

Transaction costs relating to borrowings	17	-	(0.2)
Repayment of borrowings	17	(10.3)	(41.2)
Repayment of warehoused debt	15	(3.2)	-
Proceeds received on issue of shares	13	-	0.1
Repayments of obligations under lease liabilities		(0.5)	(0.9)
Net cash used in financing activities		(14.0)	(24.8)
Net decrease in cash and cash equivalents		0.7	(11.5)
Cash and cash equivalents at the beginning of the year		7.5	19.0
Cash and cash equivalents at the end of the year		8.2	7.5

HOSTELWORLD GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General Information

Hostelworld Group plc, hereinafter "the Company", is a public limited company domiciled in Ireland, incorporated in the United Kingdom on the 09 October 2015 under the Companies Act 2006 and is registered in England and Wales. The Company's shares are quoted on Euronext Dublin and the London Stock Exchange. The registered office of the Company is One Chamberlain Square, Birmingham, B3 3AX, United Kingdom.

The financial information, comprising of the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and related notes, has been taken from the consolidated financial statements of Hostelworld Group plc for the year ended 31 December 2024. The 2024 Financial Statements were approved and authorised for issue by the Board of Directors on 19 March 2025 and signed on its behalf by G Morrison and C Sherry. The financial information does not constitute statutory accounts within the meaning of sections 435(1) and (2) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of International Financial Reporting Standards ("IFRS").

An unqualified report on the consolidated financial statements for the year ended 31 December 2024 has been given by the auditors, KPMG. It did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006. The consolidated financial statements will be filed with the Registrar of Companies, subject to their approval by the Company's shareholders at the Company's Annual General Meeting on 07 May 2025.

New accounting standards and amendments to existing standards implemented in 2024 did not have a material impact on the Group. The Group has changed the presentation of its consolidated financial statements from amounts presented in thousands (€'000) to millions (€m) effective from the financial year ended 31 December 2024. This change reflects the Group's return to normalised trading volumes post COVID-19 in the prior year, making the presentation in millions more appropriate for providing clearer and more relevant financial information to the users. The change in presentation has been applied retrospectively for all comparative information included in these financial statements to ensure consistency and comparability.

2. Going Concern

Hostelworld's business activities, together with the main factors likely to affect its future development and performance, are described in the Chief Executive's Review. After due consideration and review, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Group financial statements.

3. Revenue and Segmental Analysis

The Group is managed as a single business unit which provides software and data processing services that facilitate hostel, hotel and other accommodation worldwide, including ancillary on-line advertising revenue.

The Directors determine, and present operating segments based on the information that is provided internally to the Chief Executive Officer, who is the Company's Chief Operating Decision Maker ("CODM"). When making resource allocation decisions, the CODM evaluates booking numbers and ABVs. The objective in making resource allocation decisions is to maximise consolidated financial results. The CODM assesses the performance of the business based on the consolidated adjusted profit after tax of the Group throughout the year. This measure excludes the effects of certain income and expense items, which are unusual by virtue of their size and incidence, in the context of the Group's ongoing core operations, such as the impairment of investment in associate and other one-off items of expenditure.

All revenue is derived wholly from external customers and is generated from a large number of customers, none of whom is individually significant. The Group's major revenue-generating asset class comprises of its software and data processing services and is directly attributable to its reportable segment operations. In addition, as the Group is managed as a single business unit, all other assets and liabilities have been allocated to the Group's single reportable segment. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss. Revenue split by continent is presented as follows:

	2024 €'m	2023 €'m
Europe	51.6	56.4
Americas	17.0	17.3
Asia, Africa and Oceania	23.4	19.6
Total revenue	92.0	93.3

Disaggregation of revenue is presented as follows:

	2024 €'m	2023 €'m
Technology and data processing fees	90.0	92.1
Advertising revenue and ancillary services	2.0	1.2
Total revenue	92.0	93.3

Revenue is recognised at the time the reservation is made in respect of non-refundable commission on the basis that the Group has met its performance obligations at the time the booking is made. In respect of the free cancellation product, which offers the traveller the opportunity to make a booking on a free cancellation basis and to receive a refund of their deposit in certain circumstances, such related revenue is not recognised until the last cancellation date has passed as one party can withdraw from the contract until such a date has passed. Deferred revenue is expected to be recognised within twelve months of initial recognition. As at 31 December 2024, €3.2 million of revenue relating to free cancellation bookings has been deferred (2023: €3.4 million).

The Group's non-current assets are largely located in Ireland and Portugal for current year and prior year, and Australia in the prior year. These are disaggregated below.

	2024 €'m	2023 €'m
Total non-current assets	77.8	84.7
<i>Analysed as:</i>		
Ireland	77.7	83.5
Australia	-	1.1
Portugal	0.1	0.1

4. Operating Expenses Excluding Impairment

Profit for the year has been arrived at after charging the following operating costs:

	Notes	2024 €'m	2023 €'m
Marketing expenses - direct		42.5	46.6
Marketing expenses - brand		0.8	0.7
Staff costs		19.0	19.7
Credit card and other processing fees		2.9	3.0
Platform operating costs		3.2	3.2
External contractor costs		1.7	1.3
Exceptional items	5	-	0.2
FX loss		0.1	0.2
Other administrative costs		1.6	1.7
Total administrative expenses		71.8	76.6
Depreciation of tangible fixed assets		0.6	1.0
Amortisation of intangible fixed assets		8.5	10.8
Total operating expenses excluding impairment		80.9	88.4

Other administrative costs are net of external contractor costs capitalised of €1.2 million (2023: €0.8 million) and include rent and rates, legal and professional and training and recruitment.

5. Exceptional Items

	2024 €'m	2023 €'m
Restructuring costs	-	3.8
Total	-	3.8

Included in prior year exceptional items are operating costs of €0.2 million and finance costs of €3.6 million. These exceptional items primarily relate to costs incurred on refinancing of the HPS facility and included early repayment penalty interest, transaction costs relating to exiting the old facility and accelerated interest costs.

6. Staff Costs

The average monthly number of people employed (including Executive Directors) was as follows:

	2024	2023
Average number of persons employed:		
Sales and enabling	94	94
Technical	134	137
Total	228	231

The aggregate remuneration costs of these employees is analysed as follows:

	Notes	2024 €'m	2023 €'m
Staff costs comprise:			
Wages and salaries		17.7	17.9
Social security costs		2.2	2.1
Pensions costs		0.5	0.4
Other benefits		0.5	0.5
Share option charge		1.8	1.7
		22.7	22.6
Capitalised development labour	10	(3.7)	(2.9)
Total		19.0	19.7

Capitalised development labour increases year on year driven by the nature of 2024 projects completed and wages

capitalised development labour increase year on year driven by the nature of 2024 projects completed and wage inflation.

7. Other Income

	2024 €'m	2023 €'m
Provision release	1.3	-
Total	1.3	-

Amount relates to a revision in the probability of payment and subsequent release of a balance sheet provision for amounts owed to customers from bookings cancelled due to COVID-19 related travel restrictions. The Group have determined that the possibility of an outflow of economic benefit is remote despite attempts to settle payment.

8. Taxation

	Notes	2024 €'m	2023 €'m
Corporation tax:			
Current year charge		0.3	0.2
Origination and reversal of temporary differences	11	1.7	(6.4)
Total tax charge/(credit) for the year		2.0	(6.2)

The Irish 12.5% corporation tax rate has been used as this is the rate at which most of the Group's profits are taxed. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The corporation tax charge that arises relates primarily to international operations where tax losses from our Irish operations cannot be utilised. The charge for the year can be reconciled to the consolidated income statement as follows:

	2024 €'m	2023 €'m
Profit/(loss) before tax on continuing operations	11.1	(1.1)
Tax at the Irish corporation tax rate of 12.5% (2023: 12.5%)	1.4	(0.1)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	0.5	1.2
Tax effect of losses utilised	(0.4)	(0.4)
Tax effect of income taxed at different rates	-	0.1
Depreciation and amortisation less than capital allowances	(1.3)	(0.7)
Effect of different tax rates of subsidiaries operating in other jurisdictions	0.1	0.1
Net movement/(recognition) of deferred tax asset (note 11)	1.7	(6.4)
Total tax charge/(credit) for the year	2.0	(6.2)

9. Earnings per Share

Basic earnings per share is computed by dividing the profit for the year after tax available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Weighted average number of shares in issue ('m)	124.5	122
Profit for the year (€'m)	9.1	5.1
Basic earnings per share (euro cent)	7.28	4.21

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares, relating to share options.

	2024	2023
Weighted average number of ordinary shares in issue ('m)	124.5	122.0
Effect of dilutive potential ordinary shares:		
Share options ('m)	4.9	4.4
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('m)	129.4	126.4
Diluted earnings per share (euro cent)	7.01	4.07

10. Intangible Assets

Additions during the period included capitalised development costs of €5.5 million (2023: €4.0 million) of which internal development labour amounted to €3.7 million (2023: €2.9 million) for staff costs capitalised during the year, and other internally generated additions of €1.8 million (2023: €1.1 million). Capitalised development labour increase year on year driven by the nature of 2024 projects completed and wage inflation.

11. Deferred Taxation

The following are the major deferred taxation assets recognised by the Group and movements thereon during the current and prior reporting year. Deferred tax assets primarily relating to temporary differences between the carrying value of intangible assets and their tax base.

	Intangible assets €'m	Property, plant and equipment €'m	Losses and interest relief €'m	Total €'m
At 01 January 2023	9.0	0.1	-	9.1
Credit/(charge) to income statement	1.0	(0.1)	5.5	6.4
At 01 January 2024	10.0	-	5.5	15.5
Charge to income statement	(1.3)	-	(0.4)	(1.7)
At 31 December 2024	8.7	-	5.1	13.8

In the prior year the Group recognised a deferred tax asset relating COVID-19 trading losses and interest relief which can be carried forward, on the basis that it was probable that the asset would be recovered through future taxable profits. There is no expiry on these assets. The Group does not have any unrecognised deferred tax asset.

12. Investment in Associate

2024	2023
------	------

	€'m	€'m
Opening balance	1.1	1.0
Share of results of associate	0.1	0.1
Impairment in investment	(1.2)	-
Closing balance	-	1.1

The Group holds an investment in Goki Pty Limited, an Australian resident company. Goki Pty Limited's principal activity is the sale of locks and supporting technology systems, and its principal place of business is Australia. Although the Group incurred a profit in their share of results in the associate in the current year this largely arose from H1 2024 trading which deteriorated over H2 2024. As at 31 December 2024 the Group recognised an impairment loss for the full €1.2 million carrying value at 31 December 2024 driven by a H2 decline in the associate's financial performance, and based on future projections received from Goki Pty Limited which do not support profitability driven by unfavourable changes in market conditions including increased competition and inventory supply issues.

13. Share Capital

	No of shares of €0.01 each (thousands)	Ordinary shares €'m	Share premium €'m	Total €'m
At 31 December 2023	123,639	1.3	14.4	15.7
Share issue - LTIP	1,346	-	-	-
Share issue - SAYE	5	-	-	-
At 31 December 2024	124,990	1.3	14.4	15.7

On 29 April 2024 the Company issued 1,345,870 shares to satisfy long term incentive plan awards in relation to LTIP 2021 at €0.01 per share, and on 22 April 2024 the Company issued 5,245 shares to satisfy terms of the SAYE 2020 scheme at €0.01 per share.

14. Other Reserves

The analysis of movement in reserves is shown in the statement of changes in equity. Reconciliation and movement of amounts included in other reserves are set out below:

	Foreign currency translation reserve €'m	Share- based payment reserve €'m	Warrant reserve €'m	Total other reserves €'m
Balance at 01 January 2023	-	3.3	3.1	6.4
Transfer of exercised and expired share-based awards	-	(2.1)	-	(2.1)
Transfer on exercise, vesting or expiry of warrants	-	-	(3.1)	(3.1)
Credit to equity for equity settled share-based payments	-	1.7	-	1.7
Balance at 31 December 2023	-	2.9	-	2.9
Transfer of exercised and expired share-based awards	-	(1.7)	-	(1.7)
Credit to equity for equity settled share-based payments	-	1.8	-	1.8
Balance at 31 December 2024	-	3.0	-	3.0

15. Warehoused Payroll Taxes

	2024 €'m	2023 €'m
Opening balance	9.6	9.4
Repayments made	(3.2)	-
Finance costs (unwind)/costs	(0.2)	0.2
Closing balance	6.2	9.6

The Group availed of the Irish Revenue tax warehousing scheme and deferred payment on all Irish employer taxes arising during the period from February 2021 to March 2022. In 2024 the Group released €0.2 million of interest, which had not been paid, relating to an announcement by the Revenue Commissioners on 05 February 2024 that the applicable rate of interest on debt warehoused would retrospectively reduce to 0%.

The Group made an initial down payment of 15% in line with the repayment terms set with the Irish Revenue Commissioners in May 2024, followed by monthly payments of €0.2 million thereafter which will continue over a three-year period to April 2027. This repayment plan is reflected in the classification of the liability between current and non-current.

	2024 €'m	2023 €'m
Non-current liability	3.5	6.4
Current liability	2.7	3.2
Total warehoused payroll taxes	6.2	9.6

16. Trade and Other Payables

	2024 €'m	2023 €'m
Current liabilities		
Trade payables	4.1	3.3
Accruals and other payables	5.2	5.9
Customer provisions	0.1	1.3
Deferred revenue	3.5	3.9
Payroll taxes (non-warehoused)	0.7	0.6

Total	13.6	15.0
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Reduction in customer provisions relates to an unwind of a refund provision which the Group now consider that the possibility of an outflow of economic benefit is remote, with a release recognised in other income. Decrease in accruals and other payables relates mainly to discretionary compensation for staff employed by the Group (2024: €2.1 million, 2023: €3.2 million).

At 31 December 2024, €3.2 million of revenue was deferred relating to free cancellation bookings (2023: €3.4 million), €0.2 million was deferred relating to featured listings (2023: €0.4 million) and €0.1 million was deferred relating to Roamies (2023: €0.1 million).

17. Borrowings

	2024	2023
	€'m	€'m
Opening Balance	10.2	31.1
Repayments (HPS)	-	(34.1)
Drawdown (AIB)	-	17.4
Repayments (AIB)	(10.3)	(7.1)
Transaction costs relating to borrowings (AIB)	-	(0.2)
Finance costs	0.4	2.4
Finance costs (exceptional items)	-	2.8
Finance interest paid	(0.3)	(2.1)
Total	-	10.2

In 2021 the Group signed a €30 million five-year term loan facility with certain investment funds and accounts of HPS Investment Partners LLC. In May 2023 the facility was repaid in full and refinanced with AIB. A three-year facility was signed with AIB on 09 May 2023. This facility was comprised of a €10.0 million term loan which was repaid in full in June 2024 (€1.7 million in 2023, €8.3 million in 2024), a €7.5 million revolving credit facility which was repaid in full in February 2024 (€5.5 million in 2023, €2.0 million in 2024) and an undrawn €2.5 million overdraft. No early repayment fees applied and at the date of repayment all security and covenant requirements held by AIB were released. The Group continues to hold an undrawn €2.5 million overdraft facility with AIB, retained for flexibility.

Reduction in interest costs are driven by the refinancing in May 2023, and early repayment of the AIB facilities. Finance costs expense include non-cash amounts relating to transaction costs capitalised for professional fees incurring on the initial drawdown of the AIB facility in May 2023.

Borrowings are classified in the consolidated statement of financial position as:

	2024	2023
	€'m	€'m
Non-current borrowings	-	4.8
Current borrowings	-	5.4
Total	-	10.2

APPENDIX 1: GLOSSARY OF ALTERNATIVE PERFORMANCE MEASURES FOR THE YEAR ENDED 31 DECEMBER 2024

In reporting financial information, the Group uses the following APMs which are non-IFRS measures which provide useful additional information to monitor the performance of its operations and of the Group as a whole. APMs are not a substitute for, or superior to, IFRS measurements.

APM	Closest Equivalent IFRS Measure	Definition/Purpose
Adjusted EBITDA	Operating profit	Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation (non-cash items), also excluding results and impairment of associate, other income, share based payment expenses and any items defined by management as exceptional in nature. This APM removes items which do not impact underlying trading performance and allows the Group and external readers, including investors, to review baseline profitability of the Group trade.
Adjusted EBITDA Margin	No direct equivalent	Adjusted EBITDA margin is defined as adjusted EBITDA as defined above divided by net revenue. Adjusted EBITDA margin allows the Group and external readers, including investors, to assess the business's baseline profitability and how much revenue the business converts into Adjusted EBITDA profits by removing items which do not impact underlying trading performance.
Adjusted Profit after Tax	Profit after tax	Adjusted profit after tax is profit excluding items that do not impact trading profitability, such as items classified by management as exceptional in nature, amortisation of acquired domain and technology intangibles, share based payment expenses, impairment of associate, other income and deferred tax. These items can have a large impact on the reported result for the year, and which can make underlying trends difficult to interpret. Adjusted profit after tax is used by the Group to calculate the potential dividend when a dividend is being paid, subject to company law requirements regarding distributable profits, and the dividend policy within the Group. The Chief Operating Decision Maker assesses the performance of the business based on the consolidated adjusted profit after tax of the Group throughout the year.
Adjusted EPS	Basic earnings per share	Adjusted EPS is calculated on the weighted average number of ordinary shares in issue, using the adjusted profit after tax. Adjusted EPS is an additional measure of underlying performance that excludes items classified by management as exceptional in nature, amortisation of acquired domain and technology intangibles, share based payment expenses, impairment of associate, other

		income and deferred tax. Adjusted EPS is a metric included in the Executive Director and Senior Management remuneration for the current and prior year LTIP plan being struck.
Adjusted Free Cashflow	Net cash from operating activities	Adjusted free cash flow is net cash from operating activities adjusted for capital expenditure, acquisition/capitalisation of intangible assets, lease liabilities payments and cash impact of items classified as exceptional by management. Adjusted free cash flow is a measure which group management and external readers, including investors, use to assess the amount of cash the Group is generating from its trade and excludes items which do not relate to the day-to-day activities of the Group. It is one of the metrics which is used by management in assessing the amount of cash available for items such as borrowing repayments, dividends, share repurchases and acquisitions.
Adjusted Free Cashflow Conversion	No direct equivalent	Adjusted Free Cash Flow Conversion % is calculated as Adjusted free cash flow as defined above divided by Adjusted EBITDA and measures the Group's ability to convert Adjusted EBITDA into free cash flow. As above, adjusted free cash flow conversion is a measure which group management and external readers including investors can use to measure the Group's ability to convert Adjusted EBITDA into free cash flow.
Net Cash/(Debt)	Total borrowings and cash and cash equivalents	Net cash/(debt) represents the total debt obligations of the Group, net of liquid resources. It equates to short-term debt and long-term debt (including the statutory liability for debt warehoused and any external bank borrowings) less cash and equivalents. Net cash/(debt) is used by the Group to monitor its overall leverage and liquidity position which assists in management's assessment of financial stability and strategic decision making.
Net ABV	No direct equivalent	Net ABV represents the average value paid by a customer for a net booking calculated as generated revenue divided by total net bookings.
Direct Marketing Costs as a % of Generated Revenue	No direct equivalent	Direct marketing costs as a percentage of generated revenue is an APM which looks at the efficiency of marketing spend. Generated revenue is utilised here to understand the relationship between bookings/revenue and the direct marketing costs for those bookings. This APM is used by the Group's management to identify how efficient the Groups marketing channels are.
Other Operating Costs as a % of Generated Revenue	No direct equivalent	Other operating costs as a percentage of generated revenue is an APM which looks at cost management within the Group, and how much operating spend is needed to sustain day to day activities. Generated revenue is utilised here to understand the relationship between bookings/revenue and the operating costs. This APM is used by the Group's management and external readers including investors to measure the Group's cost management.
Net Margin	Operating profit	Net margin is an APM which is calculated by deducting direct costs from generated revenue. Direct costs are comprised of direct marketing costs and credit card and other processing fees. This APM is used by the Group's management to identify the trading profit margin, excluding administration costs/day to day expenses.

Adjusted EBITDA and Adjusted EBITDA Margin

Reconciliation between operating profit for the year and adjusted EBITDA:

	2024 €'m	2023 €'m
Operating profit	11.3	5.0
Depreciation	0.6	1.0
Amortisation of development costs	3.6	3.0
Amortisation of acquired intangible assets	4.9	7.8
R&D tax credit	(0.2)	(0.2)
Other income	(1.3)	-
Impairment of investment in associate	1.2	-
Share of result of associate	(0.1)	(0.1)
Exceptional items	-	0.2
Share based payment expense	1.8	1.7
Adjusted EBITDA	21.8	18.4

Calculation of adjusted EBITDA margin:

	2024 €'m	2023 €'m
Adjusted EBITDA	21.8	18.4
Net revenue	92.0	93.3
Adjusted EBITDA Margin %	24%	20%

Adjusted Profit after Tax (Adjusted PAT) and Adjusted Earnings per Share

Reconciliation between profit after tax and adjusted profit after tax:

	2024 €'m	2023 €'m
Profit for the year	9.1	5.1

Profit for the year	17.4	12.0
Exceptional items	-	3.8
Amortisation of acquired intangible assets	4.9	7.8
Share based payment expense	1.8	1.7
Deferred tax	1.7	(6.4)
Other income	(1.3)	-
Impairment of investment in associate	1.2	-
Adjusted profit after tax	17.4	12.0

Calculation of adjusted earnings per share:

	2024	2023
Adjusted profit after tax (€'m)	17.4	12.0
Weighted average shares in issue ('m)	124.5	122.0
Adjusted earnings per share (cent)	13.97	9.91

Adjusted Free Cash Flow and Adjusted Free Cashflow Conversion

Calculation of adjusted free cash flow:

	2024 €'m	2023 €'m
Opening Cash	7.5	19.0
Closing Cash	8.2	7.5
Net increase / (decrease) in cash and cash equivalents	0.7	(11.5)
Add back		
Repayment of debt warehoused	3.2	-
Repayment of borrowings	10.3	41.2
Proceeds from borrowings	-	(17.4)
Payment in kind interest paid	-	0.5
Transaction costs capitalised	-	0.2
Proceeds on issue of shares	-	(0.1)
Exceptional items	0.2	1.0
Adjusted free cash flow	14.4	13.9

Calculation of adjusted free cash flow conversion:

	2024 €'m	2023 €'m
Adjusted free cash flow	14.4	13.9
Adjusted EBITDA	21.8	18.4
Adjusted free cash flow conversion %	66%	75%

Reconciliation between adjusted free cash flow and net cash from operating activities for the year:

	2024 €'m	2023 €'m
Adjusted free cash flow	14.4	13.9
Exceptional items	(0.2)	(1.0)
Lease liability payments	0.5	0.9
Acquisition/capitalisation of intangible assets	5.5	4.0
Purchases of property, plant and equipment	0.1	0.1
Payment in kind interest paid	-	(0.5)
Net cash from operating activities	20.3	17.4

Net Cash/(Debt)

Calculation of net cash/(debt):

	2024 €'m	2023 €'m
Cash and cash equivalents	8.2	7.5
Borrowings	-	(10.2)
Debt warehoused	(6.2)	(9.6)
Net cash/(debt)	2.0	(12.3)

Net Average Booking Value ("ABV") and Generated Revenue

	2024 €'m	2023 €'m
Hostelworld commission share:		
Gross revenue	105.0	108.6
Cancellations	(13.5)	(14.9)
Generated revenue	91.5	93.7
Deferred revenue movement	0.2	(0.7)
Refunds, chargebacks and cost of discounts and vouchers	(1.5)	(0.1)
Other revenue	0.3	0.3
Advertising income (featured listings)	2.0	1.2
Volume incentive rebates	(0.5)	(1.1)
Net revenue	92.0	93.3

Calculation of net ABV:

	2024	2023
Generated revenue (€'m)	91.5	93.7
Net bookings (#'m)	6.9	6.5
Net ABV generated (€)	13.21	14.36

Direct Marketing Costs as a % of Generated Revenue

Calculation of direct marketing costs as a % of generated revenue:

	2024	2023
	€'m	€'m
Direct marketing costs	42.5	46.6
Generated revenue	91.5	93.7
Direct marketing costs as a % of generated revenue	46%	50%

Operating Costs as a % of Generated Revenue

Calculation of other operating costs as a % of generated revenue:

	2024	2023
	€'m	€'m
Other operating costs	24.8	25.3
Generated revenue	91.5	93.7
Other operating costs as a % of generated revenue	27%	27%

Other operating costs here exclude paid marketing costs and credit card fees, and below Adjusted EBTIDA items relating to exceptional items, depreciation, amortisation and the related R&D tax credit and share option charge.

Net Margin

Calculation of net margin:

	2024	2023
	€'m	€'m
Net revenue	92.0	93.3
Direct marketing costs	(42.5)	(46.6)
Credit card and other processing fees	(2.9)	(3.0)
Net margin	46.6	43.7

Reconciliation between net margin and operating profit:

	2024	2023
	€'m	€'m
Net margin	46.6	43.7
Other operating costs	(35.5)	(38.8)
Other income	1.3	-
Share of result of associate	0.1	0.1
Impairment in investment of associate	(1.2)	-
Operating profit	11.3	5.0

Other operating costs are total operating expenses excluding impairment as set out within note 4 to the financial statements, less items included in net margin calculation set out above relating to direct marketing costs and credit card and other processing fees.

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