

LEI:213800OC94PF2D675H41

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

### Hostelworld to Outline Strategic Growth Plan at Capital Markets Day, Focusing on Scaling our Social Travel Network for Long-Term Value Creation and the Reinstatement of a Dividend

Hostelworld, the ground-breaking social network-powered Online Travel Agent ("OTA") focused on the hostelling category, provides an update ahead of a capital markets event this afternoon. The event will be hosted by CEO Gary Morrison, CFO Caroline Sherry, and CTO Chris Berridge at the offices of Deutsche Numis, 45 Gresham Street, London EC2V 7BF, at 2:00pm.

#### Long-Term Strategy to Generate Significant Shareholder Value

We have built a highly differentiated, scalable and cash generative business model. Our pioneering social travel network has delivered powerful network effects across our core hostel OTA platform, which has delivered meaningful cash generation in recent years.

This strong financial performance has enabled us to fully repay our outstanding debt, significantly strengthen our balance sheet and enable the business to invest in its next phase of growth.

Today, management will outline a new medium-term strategy centred on three key pillars:

1. **Strengthening the core business** through increased hostel inventory, enhanced social platform capabilities powered by AI and enhanced marketplace monetisation to increase revenues
2. **Expanding the addressable market**
  - Supplementing our hostel inventory with additional budget accommodation options to increase customer growth and conversion rates
  - Expanding our travel product range to include additional products that are highly relevant to youth travellers
  - Leveraging the value of expanding, proprietary social network data set to unlock new and exciting revenue streams
3. **Selective M&A:** Exploring complementary acquisitions aligned with our strategic objectives that can accelerate growth, extend our capabilities and help drive incremental shareholder returns.

This new strategy is expected to deliver meaningful long-term value creation with the Company targeting:

- **Low double-digit revenue growth in 2026 and 2027, pre-M&A**
- **Marketing as a % of revenue of 45 - 50%**
- **Adjusted EBITDA margin greater than 20%**
- **Adjusted Free cash flow (FCF) conversion of circa 70%**

#### Commitment to Shareholder Returns

With our consistently strong cash generation, strengthened balance sheet and confidence in our growth strategy, we are pleased to announce the reinstatement of a progressive dividend policy of 20% - 40% of adjusted profit after tax starting with an interim payment in the second half of FY 2025. In addition, the company will introduce a share buy-back programme, subject to market conditions and taking into account other investment opportunities.

## Current Trading

The group continues to deliver a resilient performance, despite the recent weakening of the US dollar and a persistent shift in traveller preferences towards lower-cost destinations; both of which are leading to a less favourable booking mix and average booking value (ABV).

While it is still early in the year and the summer booking season hasn't yet reached its peak, if current trends persist, we anticipate achieving mid-single-digit revenue growth for the full year.

Key performance indicator	FY 2025 Trends	FY 2026 / 2027
Net Revenue growth (pre-M&A)	Mid-single digit %	Low-double digit %
Marketing % of revenue	45% - 50%	45% - 50%
Adj. EBITDA margin	c. 20%	> 20%
Adj. FCF conversion	60% - 70%	c. 70%

The presentation will be available on the Group's website at 2:00pm via the following link:

<https://www.hostelworldgroup.com/investors/reports-and-presentations/2025>

A live webcast of the event can be viewed via the following link:

[https://brrmedia.news/HSW\\_CMD\\_2025](https://brrmedia.news/HSW_CMD_2025)

## 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.

For further information please contact:

### Hostelworld Group plc

[Corporate@hostelworld.com](mailto:Corporate@hostelworld.com)

Gary Morrison, Chief Executive Officer

Caroline Sherry, Chief Financial Officer

David Brady, Head of Commercial Finance

### Sodali & Co

[hostelworld@sodali.com](mailto:hostelworld@sodali.com)

Eavan Gannon / Oliver Banks

Tel: +44 (0) 20 7250 1446

## 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 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.*

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDFZGZDGRVGKZZ