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

Trading Update

FY 2025 expectations in line with guidance communicated at April Capital Markets Day ("CMD")

Hostelworld provides an update on trading up to 30 June 2025 ("H1").

Key highlights:

- Net revenue¹ of €46.7m (+0% YoY), with net bookings of 3.7m (+0% YoY) and net average booking value ("ABV") of €13.40 (-1% YoY). Asia continues to grow at record levels
- June booking volume and ABV growth across all key regions, with strong demand for intra-European travel stimulated by modest bed price deflation
- Direct marketing as a percentage of revenue² totalled 51% (H1 '24: 45%)
- H1 '25 adjusted EBITDA of €7.4m, plus deferred revenue of €3.1m (H1 '24: adjusted EBITDA of €9.6m plus deferred revenue of €3.6m)
- Closing cash position of €11.0m and a net cash position of €6.1m
- £5m share buy-back programme announced on 19 June, £0.7m shares purchased since launch
- Reinstatement of a progressive dividend policy of 20% - 40% of adjusted profit after tax, with an interim payment expected in H2 2025

Looking ahead, the Group reiterates a FY 2025 adjusted EBITDA in line with market consensus³.

Gary Morrison, Group Chief Executive Officer, commented:

"Trading over the last six months has been in line with expectations as outlined at our Capital Markets Day in April. Although trading in the first half showed mixed results across regions and channels, we are encouraged by the positive trends observed in June. This included growth in both booking volumes and average booking value (ABV), alongside an improvement in marketing as a percentage of net revenue

While European bed prices have seen some deflation, this is helping to stimulate demand. Despite a continuation of the trend for low-cost destinations in the first half, we are seeing an improving geographic mix, supported by a pickup in European demand. Marketing as a percentage of revenue increased year-on-year, primarily driven by cost inflation in the first few months (which has since moderated) and the growth of paid channels as a proportion of total web channels.

Our strategic initiatives are progressing well. Bookings via mobile Apps grew by 11% year over year. The rollout of Elevate, our new marketplace monetisation tool, is delivering encouraging early results with base commissions rising to 15.8% in H1 '25, up from 15.2% in H1 '24.

Our global marketplace for Trip Plans is also gaining traction. This pre-booking feature on our social network has helped to increase the proportion of bookings from Social Members to 85%, a rise from 80% in the first half of 2024. The other growth initiatives outlined at our Capital Markets Day are progressing as planned. We are encouraged by this early progress and are excited about the potential of our broader strategic programme. Most of these initiatives are scheduled to launch in late 2025 and early 2026.

As part of our broader growth strategy, the Group continues to evaluate acquisition opportunities. Reflecting our balanced approach to capital allocation, we announced a £5 million share buyback programme on 19 June, alongside the reinstatement of a progressive dividend policy with an interim dividend expected to be paid in the second half of FY 2025.

I am pleased by the progress we are making with our strategic initiatives, which we believe will materially support our growth from 2026 and beyond"

The Group will report its half year results for the six months ended 30 June 2025 on 30 July 2025.

1. Net revenue is gross revenue less cancellations and includes impact of deferred revenue and other items.

2. Gross revenue less cancellations.

3. Company compiled market consensus FY 2025 adjusted EBITDA is €19.9M as of 10 July 2025.

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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 270 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

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