

Safestay plc
("Safestay", the "Company" or the "Group")

Trading Update

Safestay (AIM: SSTY), one of Europe's largest hostel groups, announces a trading update for the year ended 31 December 2025 (the "Period" or "FY25"). The figures in this announcement remain subject to audit.

In its trading update released on 12 November 2025, the Company stated that it was experiencing significant pricing pressures across its European markets which were impacting revenue. These pressures continued to the end of FY25 and, as a result, Group revenue¹ for the Period declined to approximately £20.6 million (2024: £23.0 million). Adjusted EBITDA² decreased to approximately £3.9 million (2024: £6.5 million) reflecting the revenue performance as well as inflationary pressures, in particular, higher staff costs across several of the Group's UK and European properties.

Total bed nights in the Period decreased by 6% to 877,674 (2024: 931,688), of which 32% were booked through direct and non-commissionable channels (2024: 37%) and 16% were group bookings (2024: 16%). The occupancy rate was 70% (2024: 75.2%). The Average Bed Rate ("ABR") decreased by 6% to £20.07 (2024: £21.40) reflecting the highly competitive pricing environment. As a result, total Revenue Per Available Bed ("RevPAB") decreased to £23.46 (2024: £24.67). Forward bookings at 1 January 2026 were £3.1 million (1 January 2025: £4.7 million).

During the Period, the Group continued the strategic expansion of its hostel portfolio, adding three new properties in popular European travel locations. In June, the Group signed a 12-year lease agreement to operate a 300-bed hostel in Naples. In August, the Group signed its first franchise agreement for two hostels in Kitzbühel, Austria. Alongside these openings and aligned with the Group's strategy to crystallise value for shareholders while supporting sustainable long-term growth, Safestay sold and franchised its Edinburgh freehold property and hostel for £5.4 million and sold and leased back its Brighton freehold property for £3.1 million.

As a result, at the year end, the Group had 22 hostels in its portfolio, including two in development and three operated on a franchise basis (2024: 19 hostels including three in development and zero operated on a franchise basis).

Further to the freehold property sales described above, as well as the award in June 2025 of a Covid-19 related business interruption insurance claim totalling £1.4 million (net of associated professional fees), the Group's cash at bank at 31 December 2025 was £2.7 million, a 93% increase year-on-year (2024: £1.4 million), and, on the same date, net debt was significantly reduced at £14.2 million (2024: £19.5 million).

Current Trading & Outlook:

Current occupancy levels are in line with the comparative period in Q1 2025, but ABR in the year to date is approximately 20% ahead of the prior year reflecting management's focus on increasing pricing. The Board expects RevPAB to strengthen throughout 2026 which should have a positive impact on the Group's EBITDA. Meanwhile, the Company's newly structured Group Booking department has seen encouraging increases in group booking conversion, giving the Board confidence that this customer segment will return to growth in 2026.

Cost pressures persist with several destinations imposing tourist levies on travellers, alongside increased business rates in the UK and VAT changes in Europe. Against this backdrop, Safestay is taking proactive actions to control costs and selectively increase pricing to support improved profitability.

As previously announced, the Board continues to consider various strategic options, including further disposals and/or the sale and leasebacks of certain of the Company's properties. Further announcements will be made as and when appropriate.

The Board remains positive about Safestay's long-term prospects as a proven operator in the significant and fragmented European hostel market, with several further expansion opportunities being appraised.

Larry Lipman, Chairman of Safestay, said:

"Despite what remained a challenging trading environment across the UK and Europe, Safestay delivered important further strategic developments in 2025. We continued to strategically expand the portfolio with three new hostels added in Italy and in Austria. Alongside this, we strengthened our balance sheet through the sale of two freehold sites in Edinburgh and Brighton, which reflects the quality of the Group's pan-European portfolio.

"Looking ahead, our ambition remains to deliver sustainable growth and crystallise value for shareholders, whilst over the medium-term growing the portfolio selectively. With a leading brand in the European hostel market, as well as well-invested systems and a strong pipeline of opportunities, we remain confident in Safestay's ability to deliver sustainable expansion."

A copy of this announcement is available on the Company's website, www.safestay.com

¹Including discontinued operations

²Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and one-off nonrecurring adjusting

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Website www.safestay.com

Instagram page www.instagram.com/safestayhostels/

About Safestay PLC

[Safestay](#) PLC is one of Europe's largest hostel groups, operating in the fragmented and fast-growing global hostel market that is expected to be worth 8.9bn annually by 2027*.

Safestay's operational sites of 21 premium hostels and one hotel offer guests both private and shared rooms in destination cities across the UK, Spain, Belgium, Czech Republic, Germany, Greece, Italy, Poland, Portugal, Austria and Slovakia.

In 2025, the Group delivered 877,673 Total Bed Nights of which 32% were booked through direct and non-commissionable channels.

Safestay's mission at each of its locations is to provide a safe, inclusive, and enjoyable space that caters to the needs of different travellers. Its properties offer first-class locations and thoughtful designs that cater for the different needs of travellers, from digital nomads to backpackers and from families to group travellers.

<https://www.safestay.com/>

**Source - Markets and Research, August 2025*

Safestay's pan-European locations include:

- [Kitzbühel Alpine, Austria](#)
- [Kitzbühel Centre, Austria](#)
- [Brussels Grand Place, Belgium](#)
- [Prague Charles Bridge, Czech Republic](#)
- [Berlin Kurfurstendamm, Germany \(hotel\)](#)
- [Athens Monastiraki, Greece](#)
- [Naples, Italy](#)
- [Pisa Centrale, Italy](#)
- [Warsaw Old Town, Poland](#)
- [Lisbon Bairro Alto, Portugal](#)
- [Bratislava Presidential Palace, Slovakia](#)
- [Barcelona Gothic, Spain](#)
- [Barcelona Passeig de Gracia, Spain](#)
- [Calpe Seafront, Spain](#) (in development)
- [Córdoba Mezquita Catedral, Spain](#)
- [Madrid Central, Spain](#)
- [Glasgow Charing Cross, UK](#)
- [Edinburgh Cowgate, UK](#)
- [London Elephant & Castle, UK](#)
- [London Kensington Holland Park, UK](#)
- [York Micklegate, UK](#)
- Brighton, UK (in development)

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