



**Hostelworld Group plc**  
(“Hostelworld” or the “Group”)

**2016 Interim Results Announcement**  
**Adjusted EBITDA of €10.1m; Interim Dividend of 4.8 cents per share**

**Operational Highlights**

- Continuing progress with key strategic focus areas of Brand, Pricing, Mobile and Asia:
  - ✓ Core Hostelworld brand booking growth of 16% (H1 2015: 14% growth); Group bookings from not-paid-for channels improved to 61% of total (H1 2015: 58%)
  - ✓ Higher commission bookings using our Elevate product increased to 28% of Group total (H1 2015: 17%)
  - ✓ Hostelworld brand bookings from mobile devices increased to 45% of total (H1 2015: 36%), with mobile app bookings accounting for 26% (H1 2015: 19%)
  - ✓ Continued growth in emerging markets, with Hostelworld brand bookings to Asian destinations up 30%

**Financial Highlights**

- Adjusted EBITDA for the half year of €10.1m (H1 2015: €10.0m) on revenues of €40.2m (H1 2015: €43.9m), benefiting from strong focus on higher quality revenues and more efficient PPC marketing
- Adjusted EBITDA Margin improved to 25% (H1 2015: 23%)
- Total Group bookings reduced to 3.5m (H1 2015: 3.6m), reflecting reduced investment in lower margin bookings, particularly on non-core supporting brands, combined with the impact of more difficult market conditions
- Group Adjusted Profit after Tax of €7.7m (H1 2015: €8.8m)
- Adjusted pro-forma Earnings Per Share of €0.08 (H1 2015: €0.09)
- Adjusted free cash flow conversion of 107% and strong balance sheet
- Interim dividend of 4.8 euro cents per share, in line with stated dividend policy
- On track to meet expectations for the full year

**Feargal Mooney, Chief Executive Officer, commented:**

“The core Hostelworld brand has delivered strong growth in the first half of the year against a background of more challenging market conditions, particularly in Europe as a consequence of a number of terrorist attacks in key European destinations.

Reflecting a key strategic focus of the Group on the Hostelworld brand and more profitable channels and to discontinue lower margin business, bookings in our supporting brands now represent just 15% of the Group total.

Trading during the key months of July and August has been in line with our expectations, underpinned by the strength of our brand and platform. We will continue to manage the risks to our business posed by the impact of terrorist attacks on travel demand and patterns and by macro-economic uncertainties and currency fluctuations surrounding Brexit and, based on performance for the year to date, our expectations for the full year are unchanged”.

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