



**Hostelworld Group plc**  
**("Hostelworld" or the "Group")**  
**2017 Interim Results Announcement**  
**Strong first half and on track to meet Full Year expectations**

**Operational Highlights**

- Strong H1 2017 performance
- Group bookings growth of 11% (to 3.9m bookings) with core Hostelworld brand up 21% during the period
- Continued delivery on marketing efficiencies:
  - Bookings from not-paid-for channels 62% of total (H1 2016: 61%)
  - Marketing investment represented 41% of Net Revenue (H1 2016: 43%)
- 50% of bookings coming from mobile devices, up from 43% in H1 2016
- Strong Asia performance - inbound overall bookings growth of 18% (H1 2016: 10%)
- New technology development centre launched in Portugal to enhance capability

**Financial Highlights**

- Group Net Revenue increased by 16% to €46.6m (H1 2016: €40.2M); 17% increase at constant currency, benefiting from an increase in Average Booking Value of 3% (H1 2016: decrease of 6%);
- Adjusted EBITDA increased by 27% to €12.9m (H1 2016: €10.1m) adjusted EBITDA up 30% at constant currency
- Adjusted EBITDA Margin increased to 28% (H1 2016: 25%)
- Group Adjusted Profit after Tax of €10.3m (H1 2016: €7.7m)
- Adjusted pro-forma Earnings Per Share of €0.11 (H1 2016: €0.08)
- Underlying adjusted free cash conversion of 101% (H1 2016: 107%)
- Cash balances of €17.7m at 30 June 2017, after payment of 2016 Final and Supplementary dividends in June 2017
- Interim dividend of 5.1 euro cents per share (H1 2016: 4.8 euro cents), in line with stated dividend policy
- On track to meet the Board's expectations for the full year

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

"The Group has returned to growth, reflecting the strength of the core Hostelworld brand, which now represents 92% of total Group bookings and the success of our continuing product, marketing and operational initiatives. The strong trading seen in the second half of 2016 continued throughout the early months of 2017, with growth in bookings across all geographies.

The level of growth in H1 2017 was somewhat flattered by a weak comparative in H1 2016, and growth rates in the June to August period have been more modest. Our expectations for the full year outcome are nonetheless unchanged, and we have declared a 6% increase in the interim dividend.

We remain confident in our long term strategy and execution and will continue to manage the risks to our business posed by the impact of terrorist attacks on travel demand alongside general macro-economic uncertainties and currency fluctuations."

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For further information please contact:

**Hostelworld Group plc**

Feargal Mooney, Chief Executive Officer

today: +44 (0) 20 7067 0000

thereafter: +353 (0) 1 498 0700

**Weber Shandwick**

Nick Osborne/ Tom Jenkins

+44 (0) 20 7067 0000