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HOSTELWORLD AT A GLANCE

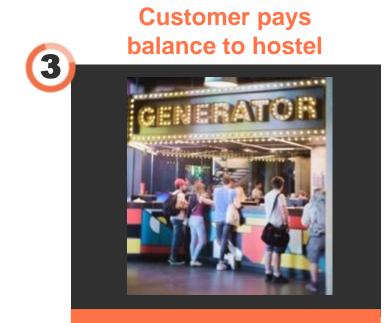
GLOBAL, HOSTEL-FOCUSED, MARKET-LEADING ONLINE BOOKING PLATFORM

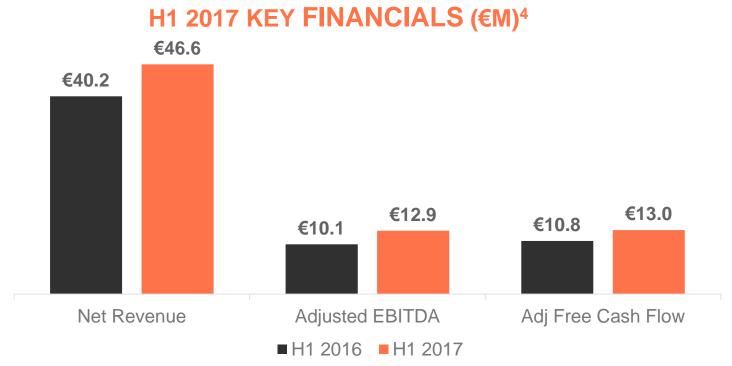
- ► Head Office in Dublin with offices in London, Porto, Shanghai, Sydney & Seoul; average 240 employees during H1 2017
- ▶ 36,000 properties globally including 15,000 hostels as at June 2017
- Focused on hostels and other budget accommodation with hostels representing 92% of H1 **2017** bookings (H1 2016: 91%)
- ► Hostelworld, the Group's primary brand, contributed 92% of total H1 2017 bookings (H1 2016: 85%)

EFFICIENT BUSINESS MODEL MAXIMISES CASH CONVERSION

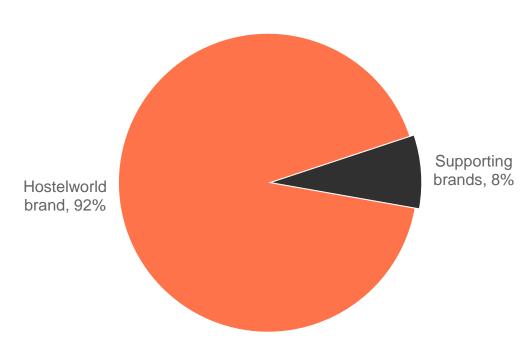


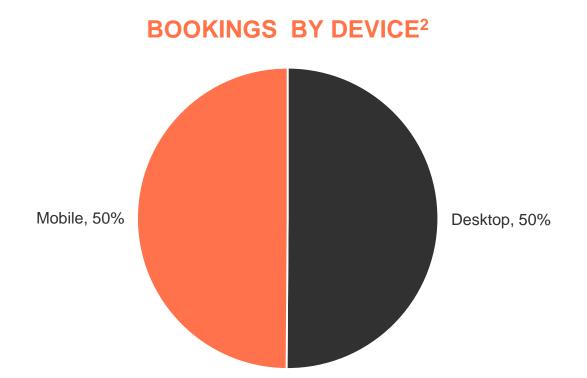




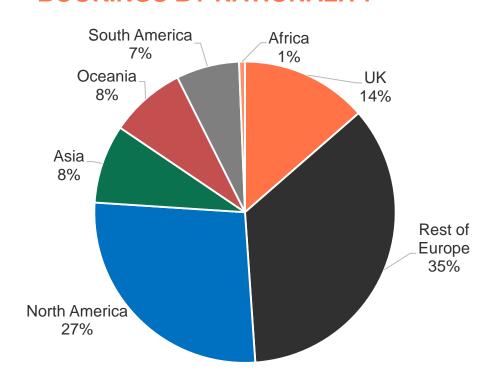


BOOKINGS BY BRAND¹

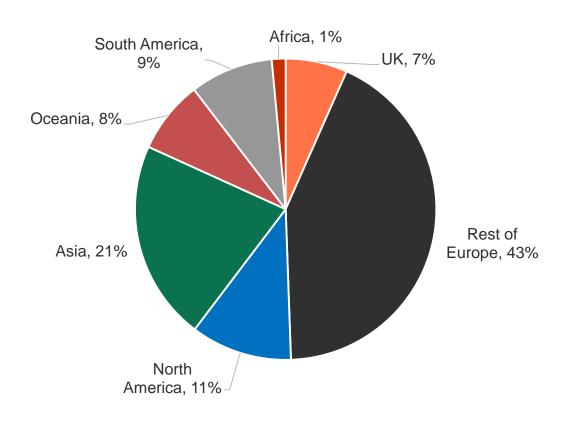




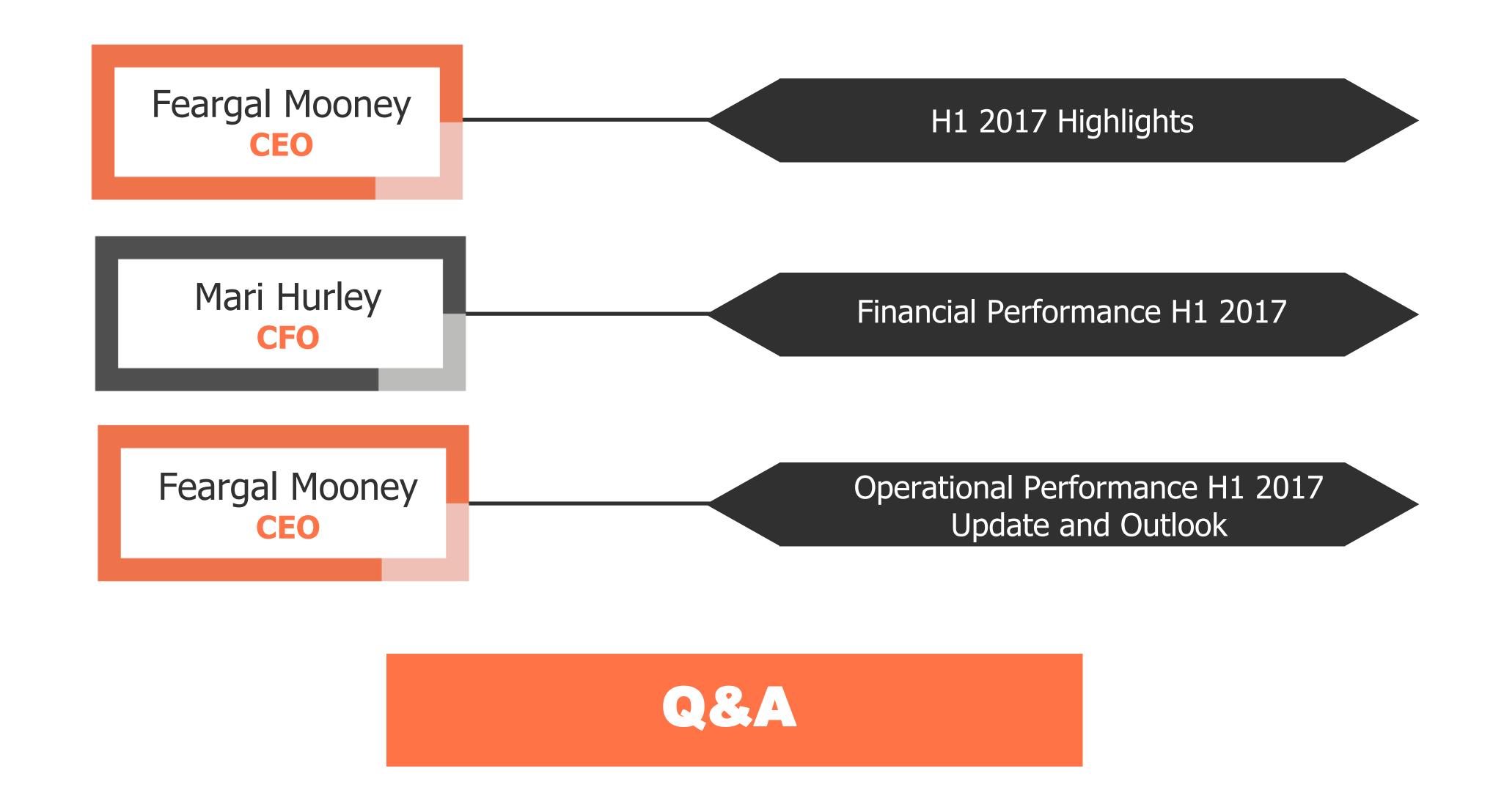
BOOKINGS BY NATIONALITY³



BOOKINGS BY DESTINATION³



AGENDA





H1 2017 PERFORMANCE



- ▶ 11% increase in Group bookings (to 3.9m bookings); HW Brand bookings up 21%
- ▶ 16% increase in Net Revenue (17% increase on constant currency basis)
- ► Marketing Costs as a % of Net Revenue reduced to 41% (H1 2016: 43%)
- Stronger Adjusted EBITDA margin of 28% (H1 2016: 25%)
- ► **€12.9m** Adjusted EBITDA, up **27%** (H1 2016: **€**10.1m)
- ► €10.3m Adjusted PAT, up 34% (H1 2016: €7.7m)
- Strong underlying adjusted free cash conversion of 101% (H1 2016: 107%)
- Strong balance sheet: cash of €17.7m at 30 June 2017 (31 December 2016: €24.6m)
- Interim dividend of **5.1** euro cent per share (H1 2016: 4.8 euro cent per share)



FINANCIAL HIGHLIGHTS

BOOKINGS AND ABV

- ▶11% growth in Group bookings
- ▶21% growth in Hostelworld brand bookings
- ► Overall 3% increase in ABV

REVENUE AND EBITDA

- ► **€46.6m** Net Revenues; year-on-year increase of **16%** (17% increase on a constant currency basis)
- ► Marketing investment represented **41%** of Net Revenues (H1 2016: 43%)
- ► €12.9m Adjusted EBITDA (H1 2016: €10.1m), up 27% (30% increase on a constant currency basis)
- ► €10.3m Adjusted Profit after tax (H1 2016: €7.7m)



▶ 101% Adjusted Free Cash conversion (H1 2016: 107%)

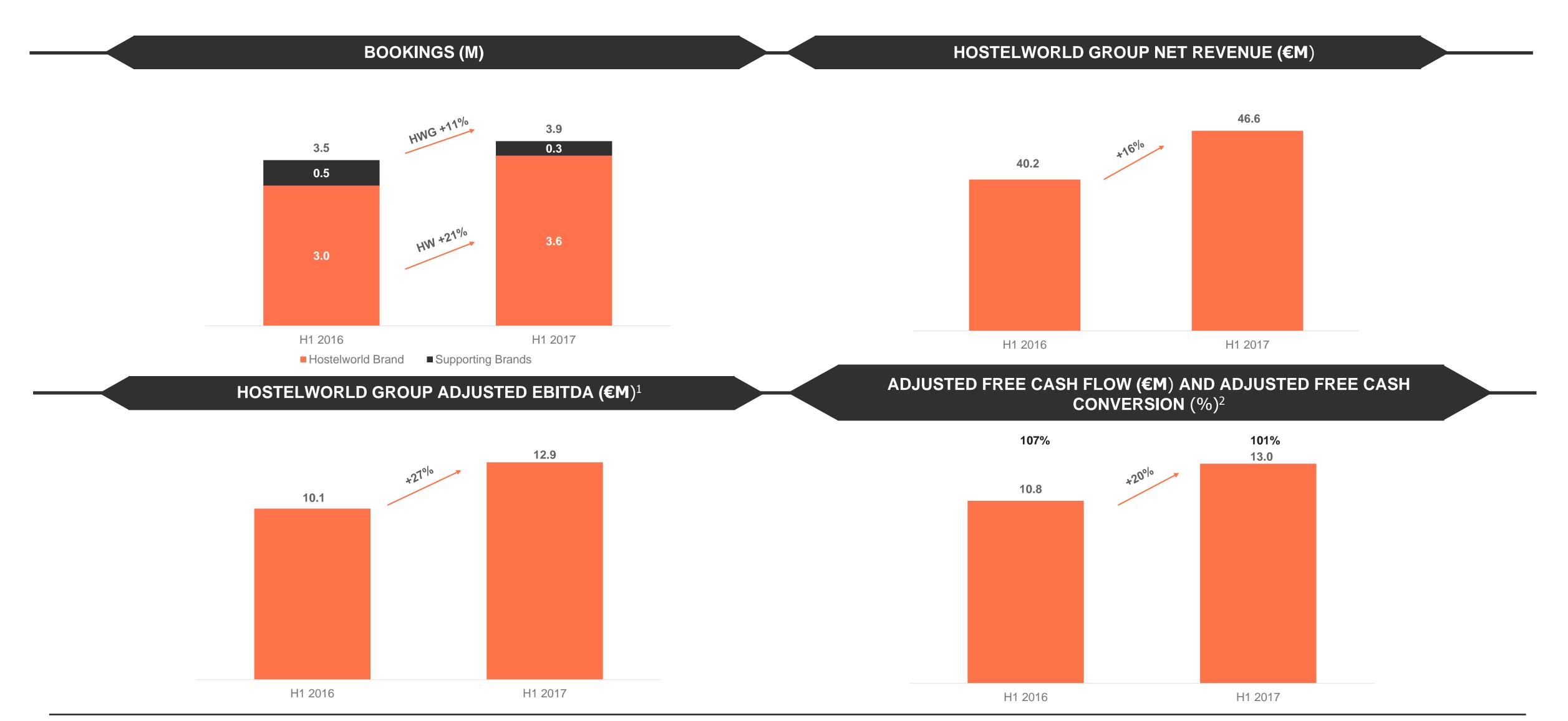


- Strong balance sheet
- Cash of €17.7m at 30 June 2017 (H1 2016: €18.7m)
- ► **€0.4m** R&D costs capitalised (H1 2016: **€1.2m**)

DIVIDEND

- Interim Dividend of **5.1** euro cent per share (H1 2016: 4.8 euro cent per share)
- Cumulative dividend since IPO of €32.1m (including Interim dividend of €4.9m)

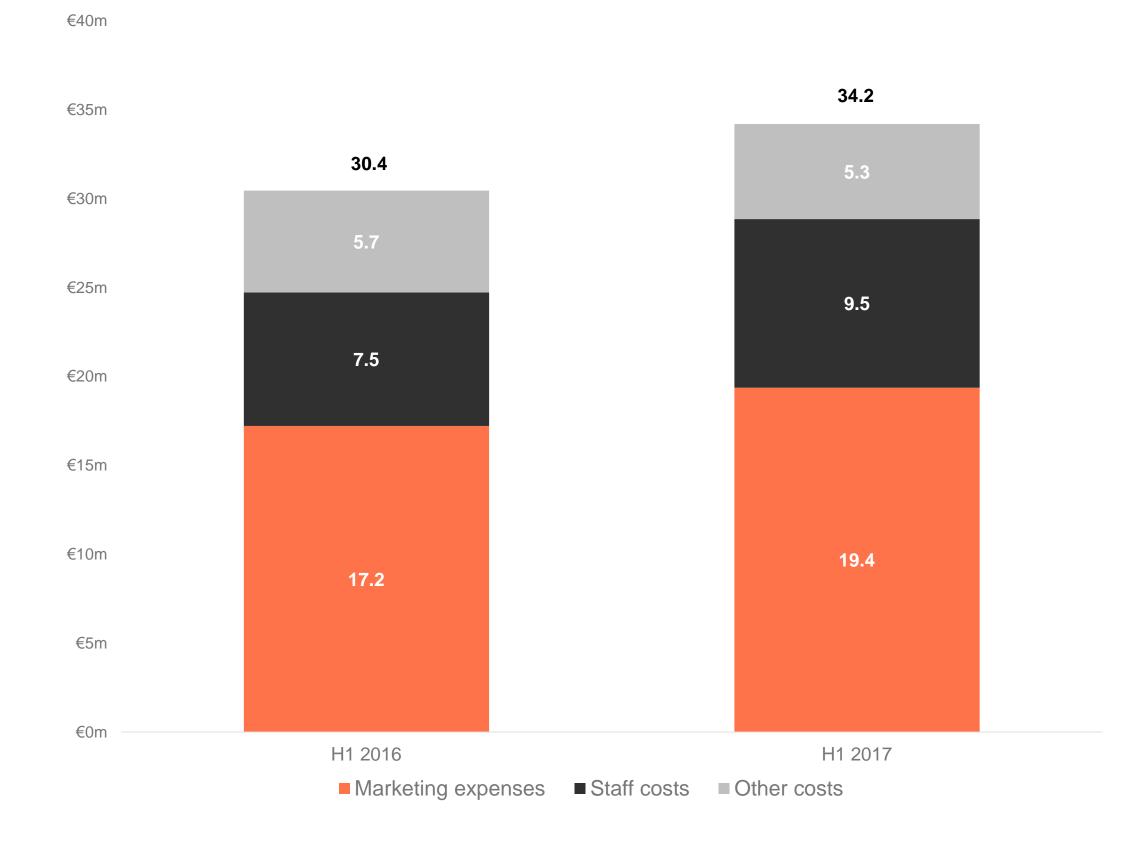
SUMMARY FINANCIALS



¹ Adjusted EBITDA excludes exceptional items

GROUP ADMINISTRATIVE EXPENSES

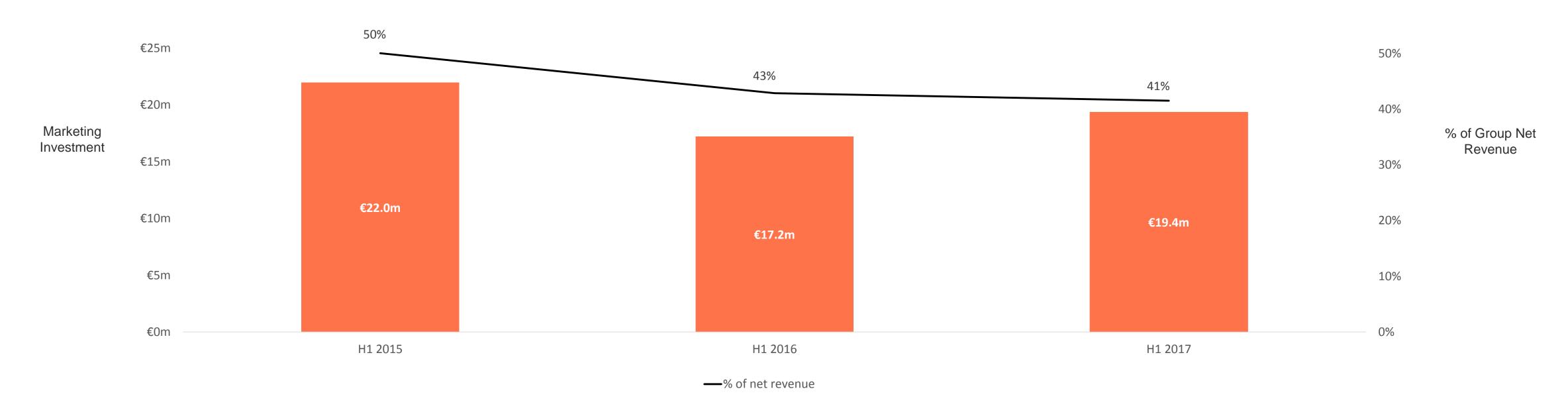
GROUP ADMIN EXPENSES (€M)



- ▶ Increase driven by marketing investment (+12%), which contributed to 16% revenue growth
- ► Gross staff costs (excluding share based payment expense) increased from €8.6m to €9.4m. Average headcount moved from 249 in H1 2016 to 240 in H1 2017. Excluding the impact of the level of development labour capitalised in accordance with IFRS standards (2017: **€0.4m**; 2016: **€1.2m**), share based payment expense, and the impact of a bonus accrual in H1 2017 staff costs decreased by 2% on a constant currency basis.
- Excluding exceptionals and listed company costs, other costs decreased by 3% in H1 2017
- ► Exceptional items of €nil (H1 2016: €0.3m) are included within other costs. 2016 exceptionals relate primarily to redundancy related costs

MARKETING INVESTMENT

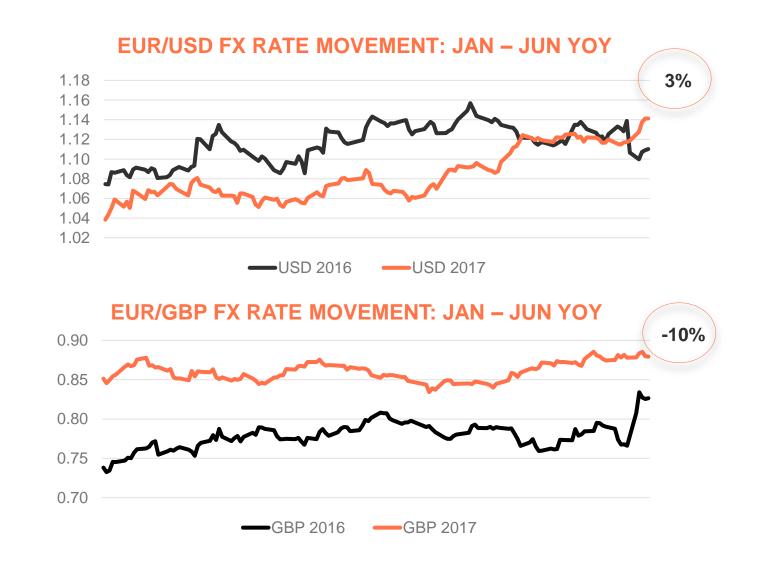
MARKETING INVESTMENT AS A % OF GROUP NET REVENUE

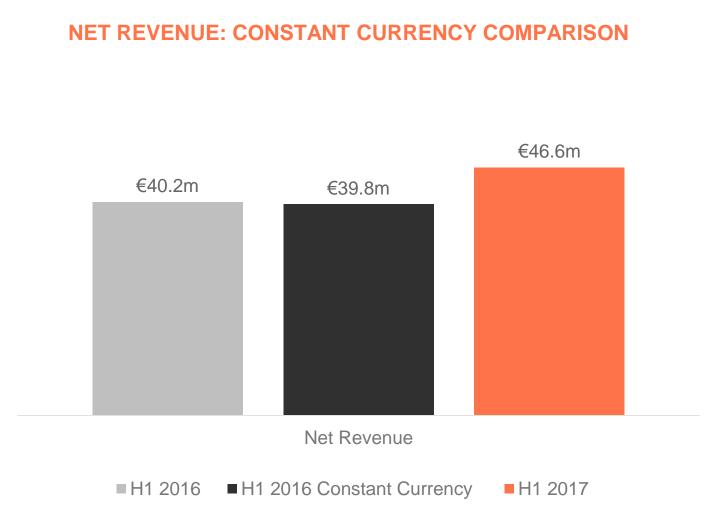


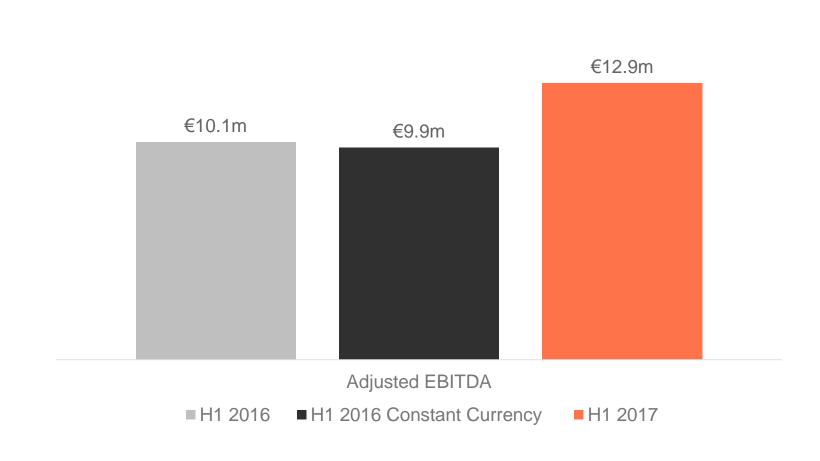
- Marketing investment increased by €2.2m in H1 2017 and represented 41% of net revenue (43% in H1 2016). This reflects a 1% increase in marketing cost per booking to €4.97 (H1 2016: €4.93)
- ► Continued focus on marketing innovation and efficiencies, with investment in new digital channels (e.g. Snapchat. Hostelworld partnered with Snapchat to be the first advertiser to test their self-service platform with our Speak the World campaign)
- ► Increased proportion of bookings from non-paid channels to 62% in H1 2017¹ (H1 2016: 61%). Mainly driven by increased investment in brand, mobile and social channels

FOREIGN EXCHANGE RISK

Net Revenue increased by 17% in constant currency







ADJ. EBITDA: CONSTANT CURRENCY COMPARISON

- ▶ The Group's primary operating currency is Euro, but it also has significant sterling (GBP) and US dollar cash flows
- ► On a constant currency basis, Net Revenue has increased by 17% (€6.9m) and Adjusted EBITDA has increased by 30% (€3.0m) in H1 2017
- ▶ A 1% movement in USD had 0.55% impact on H1 2017 Adjusted EBITDA and a 1% movement in GBP had 0.27% impact on H1 2017 Adjusted EBITDA based on the YTD 2017 currency profile
- ► The Group manages FX translation risk through matching foreign currency cash outflows and foreign currency cash inflows and by minimising holdings of excess non-Euro currency above anticipated outflow requirements

INCOME STATEMENT

GROUP INCOME STATEMENT SUMMARY

€'000	H1 2016	H1 2017
Revenue	40,168	46,649
Administrative expenses	(30,437)	(34,183)
Depreciation and amortisation expenses	(7,000)	(7,250)
Impairment losses ¹	(8,199)	-
Operating Profit / (Loss)	(5,468)	5,216
Financial income	2	4
Financial expenses	(36)	(43)
Profit / (Loss) before tax	(5,502)	5,177
Income tax (charge) / credit	795	(784)
Profit / (Loss) for the period	(4,707)	4,393
Adjusted Profit measures		
Adjusted EBITDA ²	10,122	12,864
Adjusted Profit after tax ³	7,737	10,338

- ▶ 16% increase in net revenues to €46.6m; on a constant currency basis revenues have increased by 17%
- Adjusted EBITDA margin of 28% (H1 2016: 25%)
- ► Fixed asset depreciation €0.5m (H1 2016: €0.5m). Amortisation of capitalised development costs €1.6m (H1 2016: €1.6m). Amortisation of acquired intangible assets **€5.2m** (H1 2016: €4.9m)
- ► Overall Income tax charge of **€0.8m** comprises a Group corporation tax charge of €0.5m and a deferred tax charge of €0.3m relating to the amortisation of deferred tax assets offset by the reduction in deferred tax liabilities. The overall income tax benefit in H1 2016 comprised of a Group corporation tax charge of €0.3m and a deferred tax credit of €1.1m arising on reduction in deferred tax liabilities resulting from the impairment of Hostelbookers domain names, partially offset by amortisation of deferred tax assets

CASHFLOW STATEMENT

GROUP CASHFLOW STATEMENT

€'000	H1 2016	H1 2017
Profit before tax	(5,502)	5,177
Working capital movement	(180)	1,627
Non cash adjustments (incl. impairment charge)	15,320	7,648
Net finance costs	34	38
Cashflows from operating activities	9,672	14,490
Net interest paid	(34)	(39)
Taxes Paid	(49)	(275)
Net Cashflows from operating activities	9,589	14,176
Capitalisation and acquisition of intangible assets	(1,210)	(405)
Purchase of property, plant and equipment	(600)	(770)
Net cash used in investing activities	(1,810)	(1,175)
Dividends paid	(2,628)	(19,974)
Net cash used in financing activities	(2,628)	(19,974)
Net increase/(decrease) in cash and cash equivalents	5,151	(6,973)
Opening cash and cash equivalents	13,620	24,632
Effect of exchange rate gains and losses	(119)	3
Closing cash and cash equivalents	18,652	17,662

► €20m of dividends paid in H1 2017 related to final dividend and supplementary dividend for FY16

CASHFLOW CONVERSION

GROUP CASH CONVERSION

€'000	H1 2016	H1 2017	
Adj. EBITDA	10,122	12,864	
Eroo ooob flow bofore financing			
Free cash flow before financing activities	8,222	13,002	
Adjustments to free cash flow:			
- IPO costs	2,580	_	
Total Adjustments	2,580	-	
Adjusted free cash flow ¹	10,802	13,002	
Adjusted free cash conversion %1	107%	101%	

- ▶ 101% Adjusted free cash conversion for H1 2017
- Adjusting for the delayed receipt of a prior year VAT claim until early 2016, H1 2016 adjusted cash conversion was 100%
- ▶ €2.6m of costs related to the IPO were outstanding at 31 December 2015 and paid in 2016

BALANCE SHEET

GROUP BALANCE SHEET SUMMARY

€'000	30 Jun 2016	31 Dec 2016	30 Jun 2017
Other intangible assets	145,463	139,619	133,257
Other non-current assets	4,471	3,717	3,561
Trade and other receivables	3,215	2,627	3,970
Cash and cash equivalents	18,652	24,632	17,662
Total assets	171,801	170,595	158,450

Total equity	158,917	159,936	144,742
Deferred tax liabilities	1,003	764	592
Creditors, accruals and other liabilities	11,881	9,895	13,116
Total equity and liabilities	171,801	170,595	158,450

- Strong Group balance sheet at 30 June 2017 with negative working capital of €9.1m (31 Dec 2016: €7.3m)
- ► Cash balances of €17.7m
- ► Net decrease in other intangible assets driven by amortisation

DIVIDENDS

STRONG DIVIDEND PAYOUT TO SHAREHOLDERS

Dividend Profile	FY15	FY16	H1 17
Interim dividend per share	-	4.8c	5.1c
Final dividend per share	2.75c	10.4c	
Full year dividend per share	2.75c	15.2c	
Supplementary dividend per share	-	10.5c	
Total dividend per share	2.75c	25.7c	
Dividend payout:			
Interim	-	€4.6m	€4.9m
Final	€2.6m	€9.9m	
Supplementary	-	€10.0m	
Total Dividend payout	€2.6m	€24.6m	

- Interim dividend of **5.1** euro cent per share (H1 2016: 4.8 euro cent per share)
- ► 6% growth in interim dividend year on year
- Including interim dividend FY17 (€4.9m), €32.1m returned to shareholders to date

SUMMARY KPIS

OVERVIEW OF TRACK RECORD OF KPIs

KPI metric		H1 2015	H1 2016	H1 2017
Dookingo	HW Brand	2.6m	3.0m	3.6m
Bookings:	Other	<u>1.1m</u>	<u>0.5m</u>	<u>0.3m</u>
	Total	3.6m	3.5m	3.9m
Average Booking Value (ABV)	€ 12.6	€ 11.8	€ 12.2
Net revenue		€43.9m	€40.2m	€46.6m
Marketing investment (%	of net revenue)	50%	43%	41%
Adjusted EBITDA		€10.0m	€10.1m	€12.9m
Adjusted Profit after tax ¹		€8.8m	€7.7m	€10.3m
Adjusted free cash flow ²		€7.6m	€10.8m	€13.0m
Adjusted free cash conve	ersion ²	75%	107%	101%

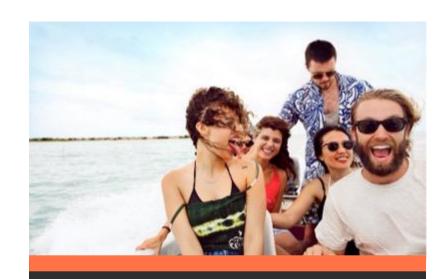
¹ Adjusted PAT is defined as Reported Profit/Loss for the period excluding exceptional costs, amortisation of acquired domain and technology intangibles, impairment charges, net finance costs and deferred taxation.

² Adjusted free cash flow defined as free cash flow before financing activities adjusted for financial expenses, M&A costs and impairment costs; adjusted free cash conversion shown as a percentage of adjusted EBITDA



OUR 4 PILLARS ARE NOW CAPABILITIES

GREAT PROGRESS AND EXECUTION



BRAND

- Meet the World brand campaigns
- 62% bookings from non-paid channels
- Marketing investment in new digital channels supporting a more efficient marketing mix



MOBILE

- 50% of bookings H12017
- My Trips live in 50 cities
- Hostel Noticeboard launched in December 2016
- Speak the World app launched in May 2017



PRICING

- ► Elevate now on 34% of Bookings (Q2 2017)
- Increased Effective Commission Rate
- Featured Listings revenue €1.8m LTM

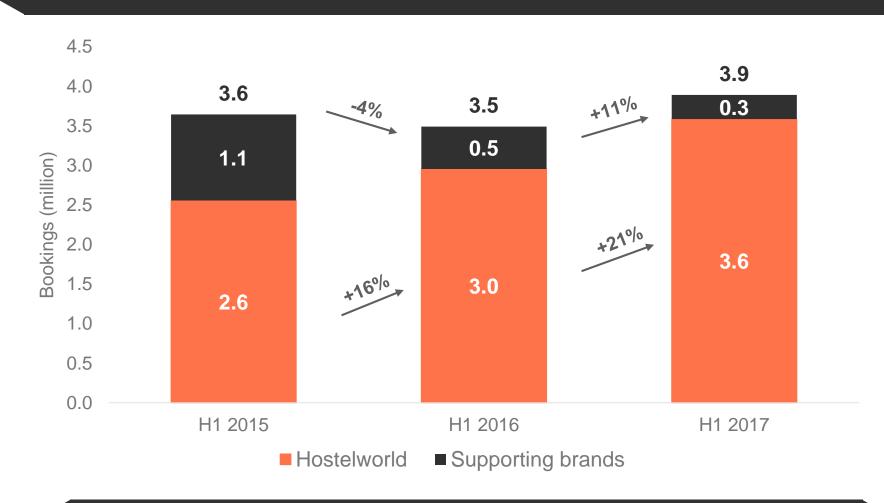


ASIA

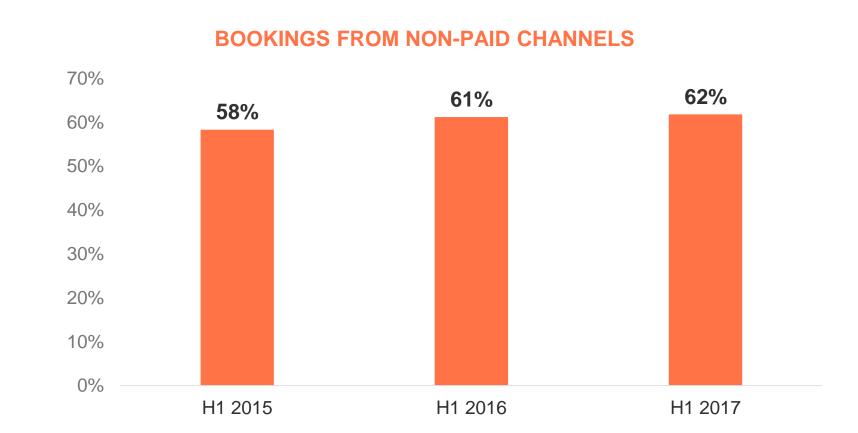
- 21% of Group bookings
- Offices in Shanghai& Seoul
- Continued strong growth destination

BOOKINGS OVERVIEW



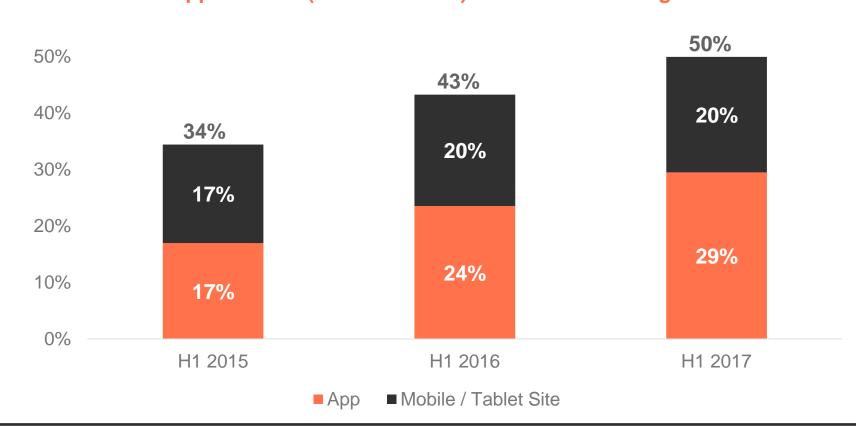


INCREASED PROPORTION OF BOOKINGS FROM NON-PAID CHANNELS

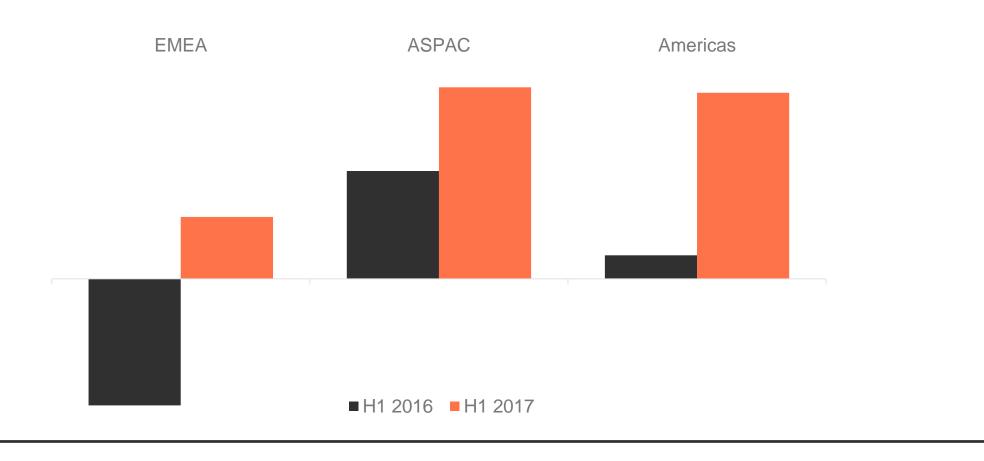


STRENGTHENED MOBILE OFFERINGS AND PENETRATION

App and Site (Mobile / Tablet) as % HWG Bookings

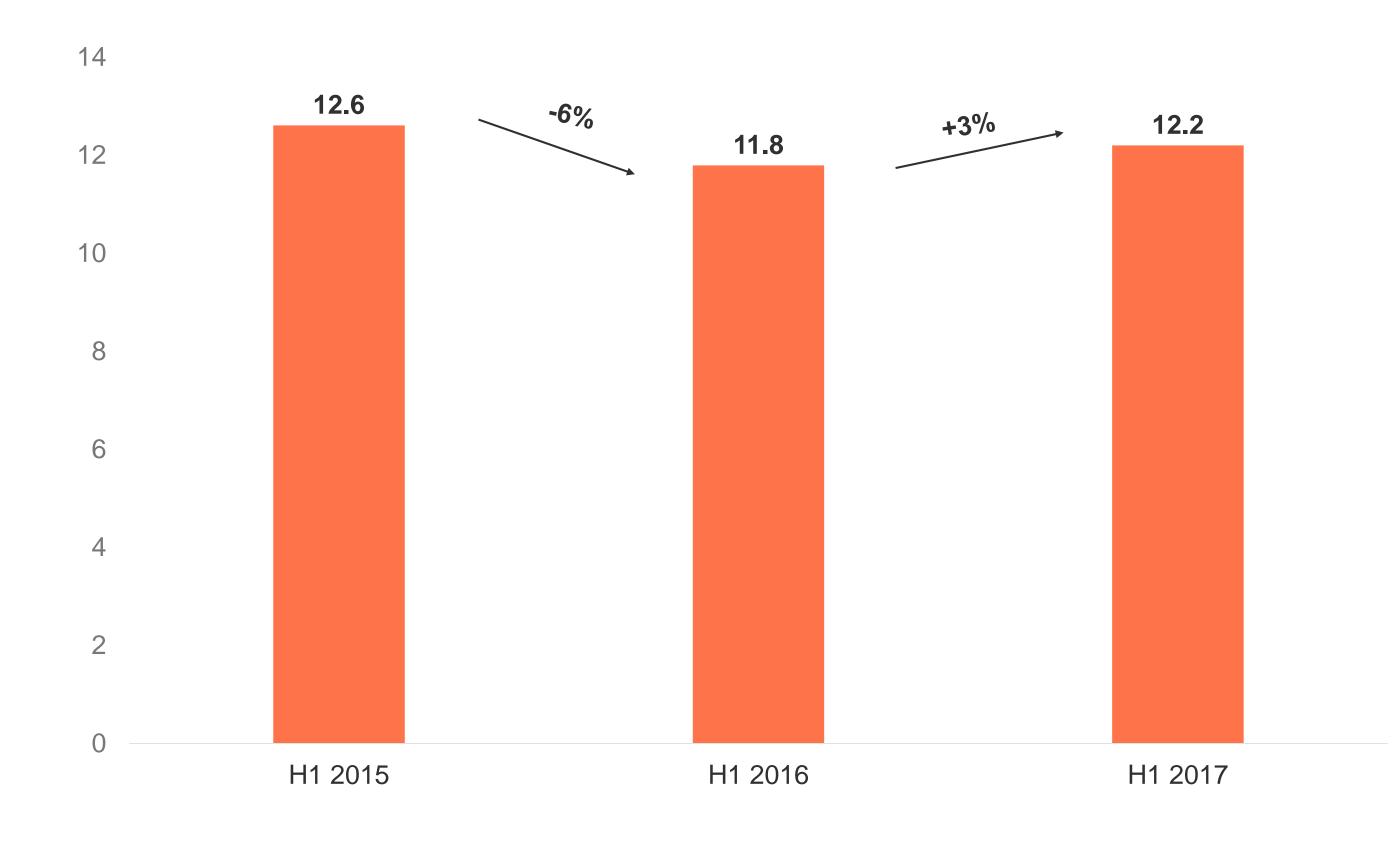


INBOUND BOOKINGS: YOY GROWTH



AVERAGE BOOKING VALUE (ABV)

GROUP AVERAGE BOOKING VALUE ("ABV") (€)¹

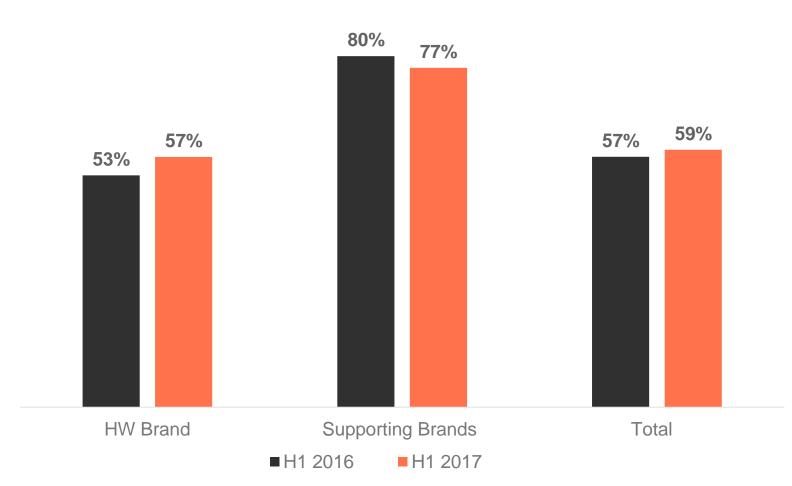


- ▶ 3% increase in H1 2017 ABV (H1 2016: 6% decline) driven by pricing initiatives
- Stronger base bed prices supported by Hostelworld display changes
- Continued evolution of base rate mix: 31% of bookings at higher base rate (H1 2016 : 23%)
- ► Elevate penetration 33% (H1 2016: 28%). 90bps increase in average Elevate bid rates
- ► ABV recovery partially offset by impact of bookings of shorter duration (lower pax and nights per booking)

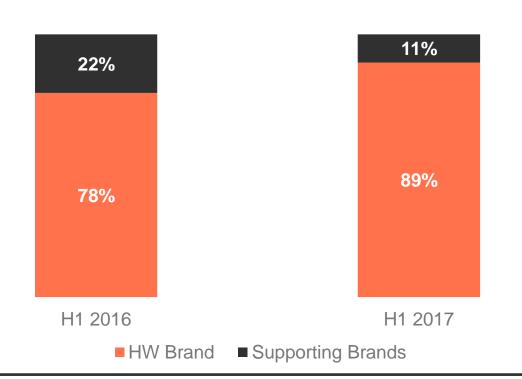
MARKETING MARGIN BY BRAND

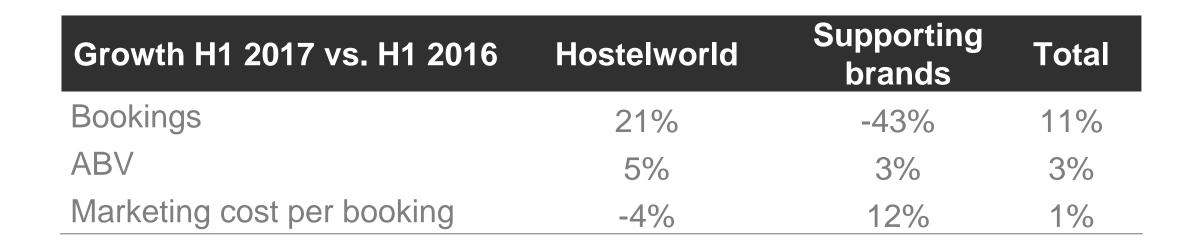
MARKETING MARGIN¹ CONTINUING TO INCREASE DURING 2017

MARKETING MARGIN² % BY BRAND



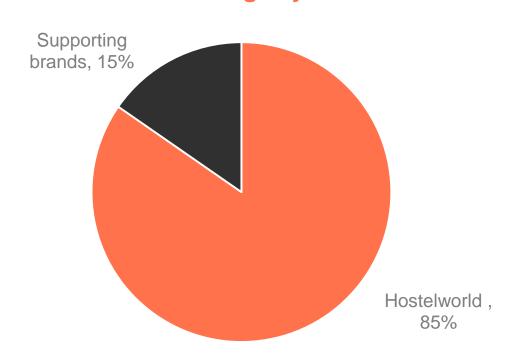
MARKETING MARGIN¹ CONTRIBUTION BY BRAND



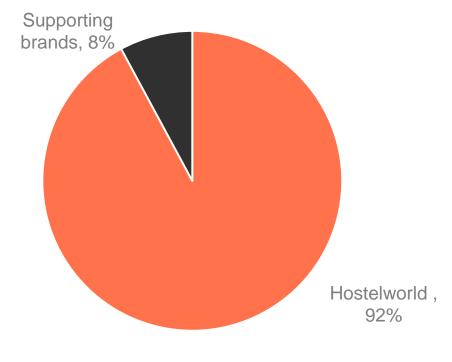


- Continuation of efficiencies in cost per booking for paid channels
- Increased proportion of bookings from non-paid channels
- ► Flagship Hostelworld brand accounted for **92**% of bookings in H1 2017 (H1 2016: 85%)
- > 89% of Group marketing margin¹ is derived from Hostelworld brand (H1 2016: 78%)

2016 Bookings by Brand



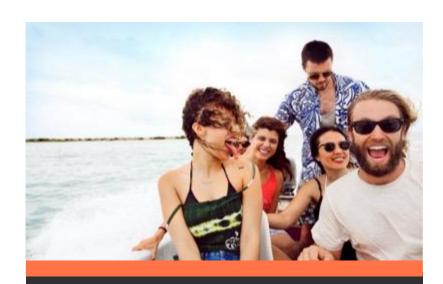
2017 Bookings by Brand



¹ Calculated as Gross Booking Revenue less all marketing costs. Comparatives have been updated for revised methodology

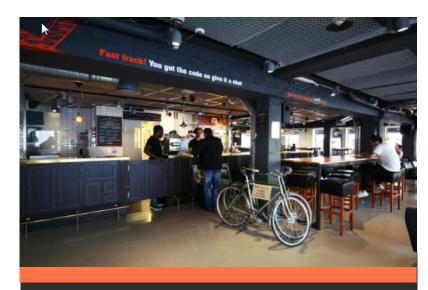
STRONG GROWTH IN HOSTEL SUPPLY

3% GROWTH IN ESTIMATED HOSTEL BED CAPACITY



SUPPLY GROWTH

Hostels overall estimated bed capacity increased by 3% in 12 months to 30June 2017



NEW OPENINGS 2017

- A&O Copenhagen (600 beds)
- Amistat Island Hostel Ibiza (332 beds)
- Motion Chueca Madrid (290 beds)
- Lub'D Siem ReapCambodia (220+ beds)
- Freehand LA (600 beds)



TOP 10 KEY ACCOUNT NEW OPENINGS (17/18)

- Meininger 9 new openings (Amsterdam, Berlin x 2, Budapest, Milan x 2, Munich, Rome, St Petersburg). Five more openings planned for 2019
- Generator Madrid & Miami
- ► HI USA New Orleans
- Clink first Dublin site purchased 2017



NEW DEVELOPMENTS

- Selina Group 25 properties (hostels combined with shared working spaces)
 LATAM focus – 100 new openings by 2020
- Accor Group Jo&Joe (40 new properties planned over next 5 years)
- Safestay expansion acquisition of U Hostels Group & Equity Point Hostels

EVOLVING STRATEGIC FOCUS

DELIVER THE BEST PROPOSITION FOR OUR CUSTOMERS AND OUR SUPPLIERS

COMPETE ON CORE PRODUCT

- Non refundable rates piloted
- Other pricing options in development

BUILD THE HOSTELWORLD COMMUNITY

- Enable social interaction with other travellers and with hostels throughout the journey
- Enhanced blog features encouraging community engagement

YOU'D BE MAD TO BOOK A HOSTEL ANYWHERE ELSE

DEVELOP DIFFERENTIATING USPs

- Hostel Noticeboard phase 1
- Speak the World launched
- My Trips new languages added

INCREASE REVENUE PER CUSTOMER AND LOYALTY

- New offers and product features to drive customer loyalty
- Testing ancillary offerings

ENGAGING CUSTOMERS BEYOND THE BOOKING

HOSTEL NOTICEBOARD & MY TRIPS (LAUNCHED 2016)

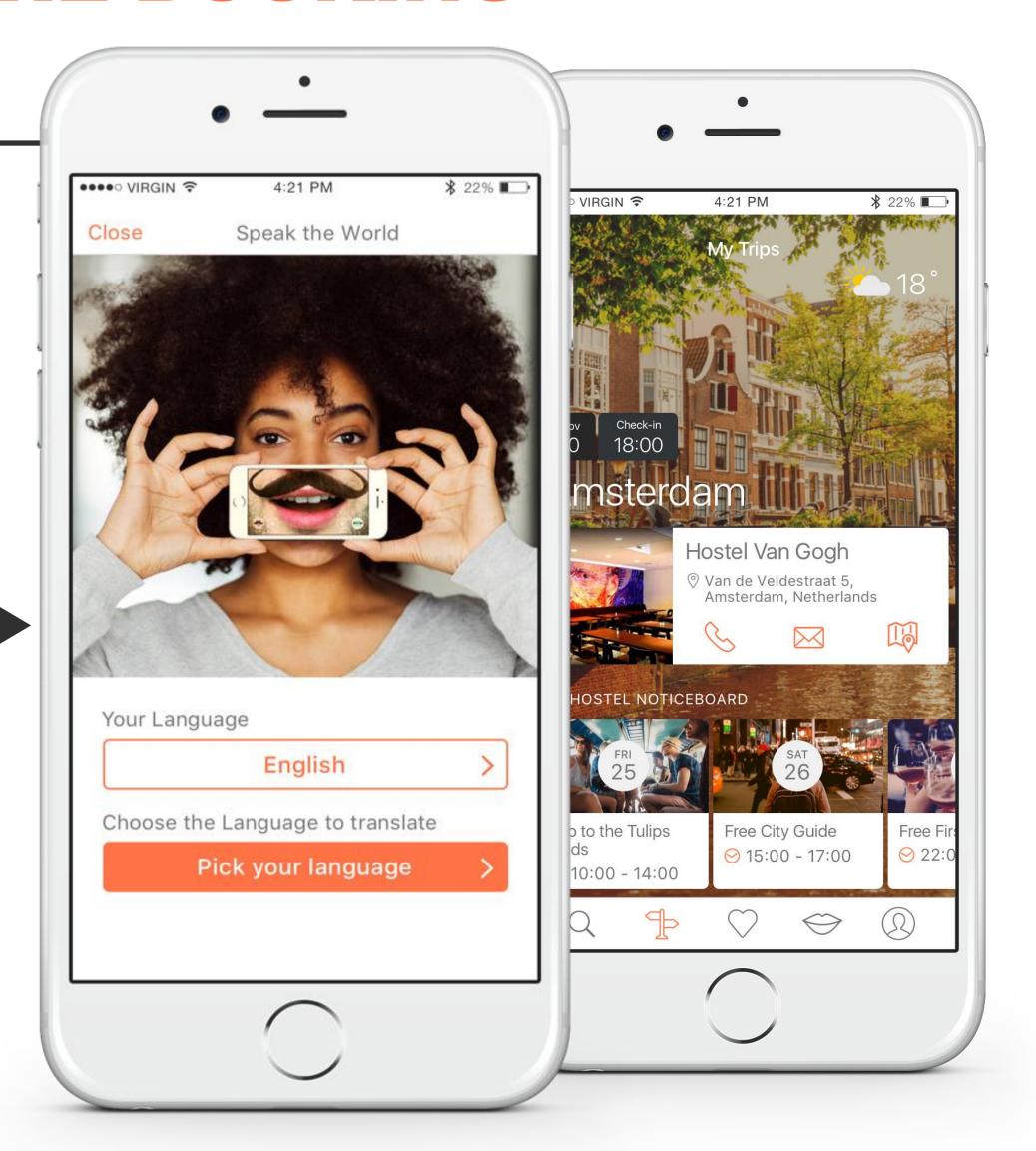
MyTrips launched in 2016 to engage customers in trip with recommendations on places to visit & places to eat. It expanded in 2017 to include Hostel Noticeboard, a feature which provides unique content for customers on things to do in the hostel.

- Live in **50 cities**, representing **42%** of Hostelworld bookings in H1 2017¹
- ▶ 3 new languages added in 2017, French, German & Spanish
- ► 64% of MyTrips bookers accessed MyTrips content in-app²
- ▶ 14% of Hostels in 50 cities had noticeboard events published in app in Jun 2017³

SPEAK THE WORLD (LAUNCHED MAY 2017)

Speak the World provides a new and innovative way for customers who speak different languages to interact with one another using the power of the Hostelworld app and Google cloud translate technology.

- ▶ 16% of total unique App visitors used Speak the World in Jun 2017 (9% of total iPhone visitors, 23% of total Android visitors)⁴
- 2.3 million translations were generated since lauch⁴



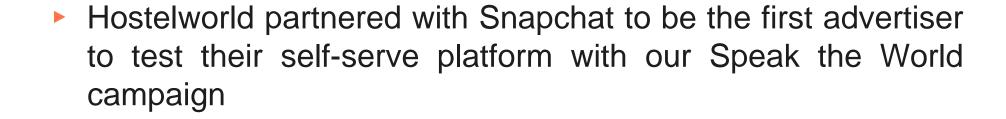
BRAND - INVESTMENT IN NEW DIGITAL CHANNELS

CONTINUED MARKETING INNOVATION

Snap Ads







- Speak the World was launched to promote the new voice translation feature within the Hostelworld app
- ► The primary objective of the campaign was to promote video views proceeded by app installs. To achieve this, Hostelworld used Snap Ads focusing on App Install to help deliver against both objectives



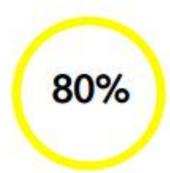
Lower CPM than campaign average across platforms



Higher Video Completion



Lower CPM than direct bought campaigns



Lower CPI than other platforms

IN CONCLUSION

Successfully executing on strategy, driving strong Hostelworld Brand growth

Marketing efficiencies maintained

Interim dividend of 5.1 euro cent per share

Continued confidence in long-term strategy and execution

Year to date performance on track to meet Board's expectation for full year 2017

