CLINK 78, LONDON

HOSTELWORLD
MEET THE WORLD

2019 INTERIM RESULTS

AUGUST 2019 PRESENTATION

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HOSTELWORLD AT A GLANCE

The global hostel-focussed online booking platform

Hostelworld in numbers[1]

300
employees[2]

c.17,400
hostels

Properties in
178
countries

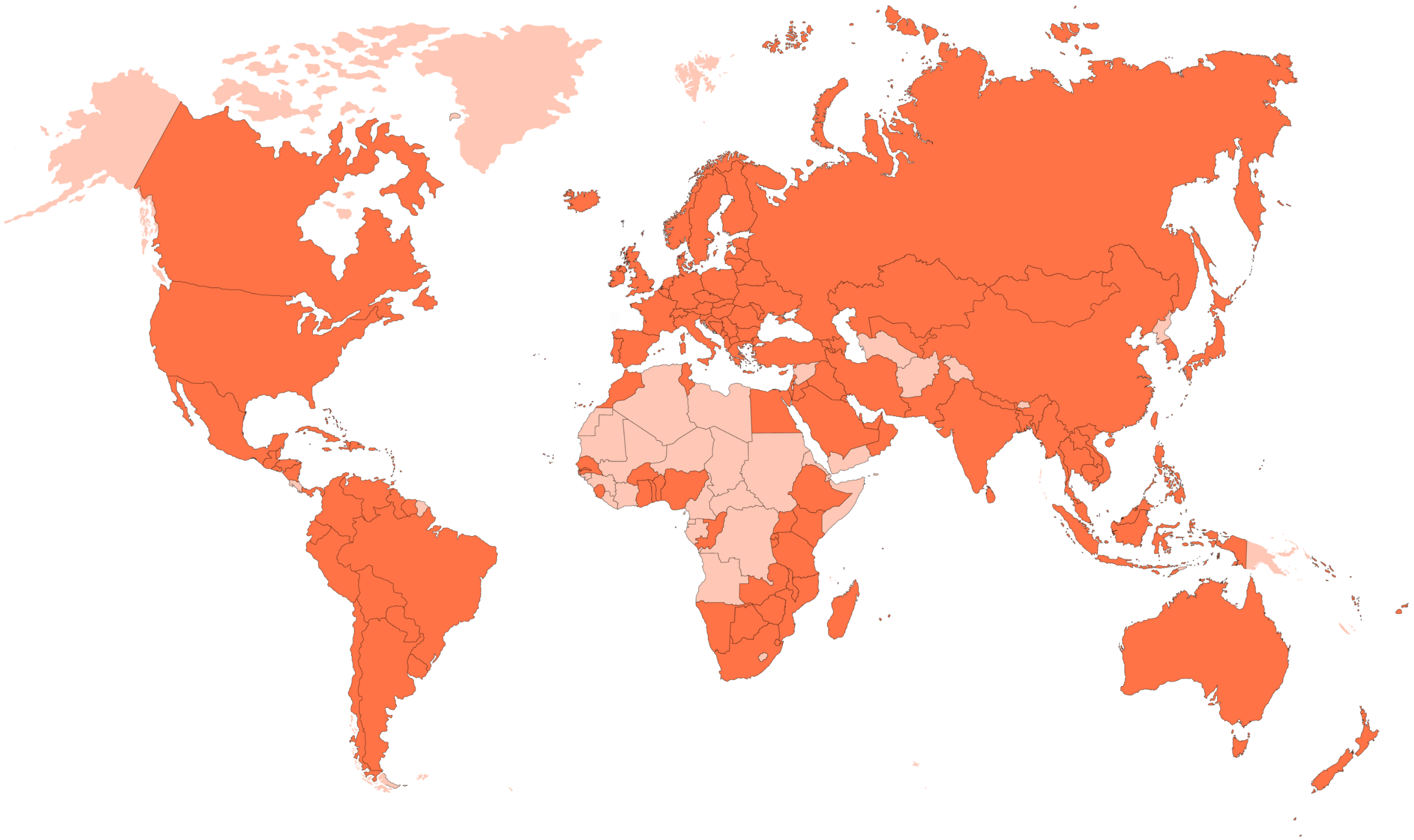
Over
77m
visits to website and apps in H1 2019

Over
12m
reviews

2.6m
social media followers

Available globally in
19
languages
(**13** on app)

43%
net bookings from app



Hostelworld properties in 178 countries

[1] Hostelworld Group, H1 2019
[2] Average FTE, H1 2019

AGENDA H1 2019

FINANCIAL & OPERATIONAL PERFORMANCE
TJ Kelly – CFO

FIRST HALF REVIEW
Gary Morrison - CEO

Q&A

ECOMAMA, AMSTERDAM

FINANCIAL PERFORMANCE

KEY H1 2019 FINANCIAL HIGHLIGHTS

2019 – investing to fund growth drivers

		H1 2018 Reported	H1 2018 Adjusted[1]	H1 2019	HYoHY %
Bookings by Brand	Gross Bookings: HW Brand	3.8m	3.8m	3.7m	(4%)
	Gross Bookings: HW Group	4.0m	4.0m	3.8m	(5%)
	Net Bookings: HW Brand	3.7m	3.7m	3.4m	(8%)
	Net Bookings: HW Group	3.9m	3.9m	3.5m	(10%)
Revenue	Average Booking Value (ABV) [5]	€12.2	€12.2	€12.8	6%
	Net Revenue	€42.6m	€42.6m	€38.8m	(9%)
	Net Revenue (excluding deferred revenue impact)	€46.8m	€46.8m	€43.2m	(8%)
	Deferred Free Cancellation Revenue	€4.2m	€4.2m	€4.4m	5%
Profitability	Adjusted EBITDA[1,2]	€9.8m	€10.4m	€8.9m	(15%)
	Adjusted Profit after tax[1,3]	€7.6m	€7.6m	€6.2m	(19%)
	Adjusted EPS[1]	7.97c	7.93c	6.44c	
Cash	Adjusted Free Cash Flow[1,4]	€13.1m	€13.6m	€9.6m	
	Adjusted Free Cash Conversion[1,4]	133%	131%	108%	
Shareholder Returns	Total Dividend Per Share	4.8c	4.8c	4.2c	
	Total Dividend Payout	€4.6m	€4.6m	€4.0m	

- Core Hostelworld Brand bookings declined by **4%**.
- ABV increased by **6%**, **2%** increase in constant currency.
- Net Revenue decreased by **8%** excluding the deferred revenue impact.
- Adjusted EBITDA decreased by **15%**.
  - Primarily due to the effect of rolling out the free cancellation product.
  - The Group absorbed higher than anticipated cost inflation in performance marketing channels offset by a planned reduction in category advertising.
- Strong cash generation and conversion characteristics maintained.

Note

[1] The Group has adopted IFRS 16 Leases from 1 January 2019, as disclosed in note 2 to the condensed consolidated financial statements. The Group has applied the modified retrospective approach, and as a result it has not restated prior periods on adoption in its financial statements. For comparative purposes H1 2018 has been restated in this presentation to reflect the impact of adopting IFRS 16, in order to give a true and fair comparative of underlying performance.

Source: Management information
[2] Adjusted EBITDA excludes exceptional items and is net of deferred revenue in relation to free cancellation bookings, this revenue will be recognised at the point at which the traveller no longer has the right to cancel
[3] Adjusted PAT is defined as Reported Profit for the period excluding exceptional costs, amortisation of acquired domain and technology intangibles, net finance costs, share based payment expenses and deferred taxation
[4] 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
[5] ABV based on Group Gross revenues/gross bookings (ABV excludes Advertising Revenue, Groups Revenue and Rebates)

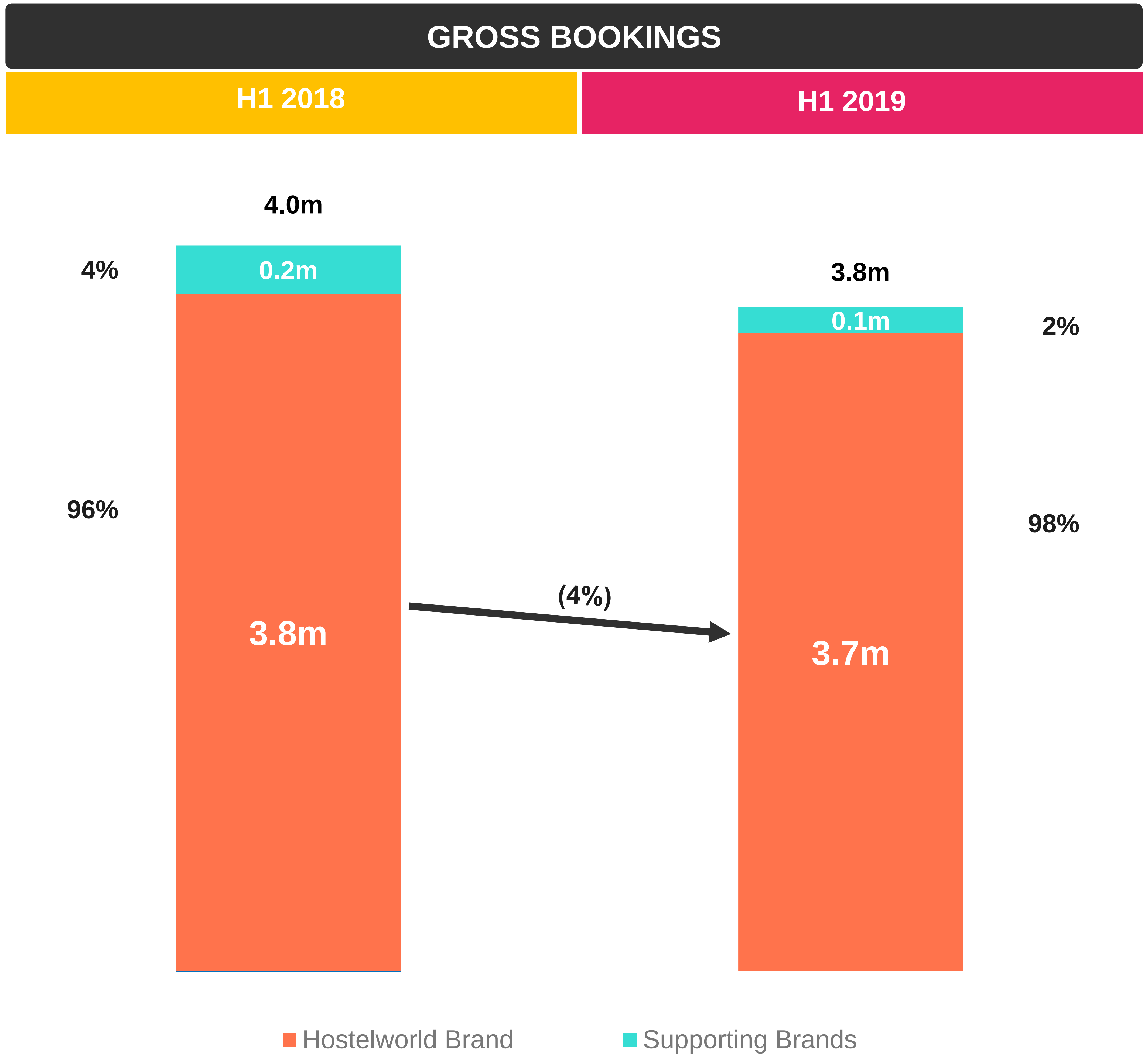
H1 2019 BOOKINGS

4% decline in Hostelworld Brand gross bookings

Group Bookings[1]

- Hostelworld Brand gross bookings declined **4%**; total Group bookings fell **5%** (to **3.8m** bookings).
- Net of cancellations Hostelworld Brand bookings fell **8%**; **10%** decrease in total Group bookings growth (to **3.5m** bookings) as the free cancellation product was only fully rolled out in July 2018.
- Supporting Brands are in managed decline, contributing **2%** of total bookings in H1 2019, down from **4%** in H1 2018.

Growth H1 2019 vs. H1 2018	Hostelworld	Supporting Brands	Total
Gross Bookings	(4%)	(44%)	(5%)
Net bookings	(8%)	(44%)	(10%)

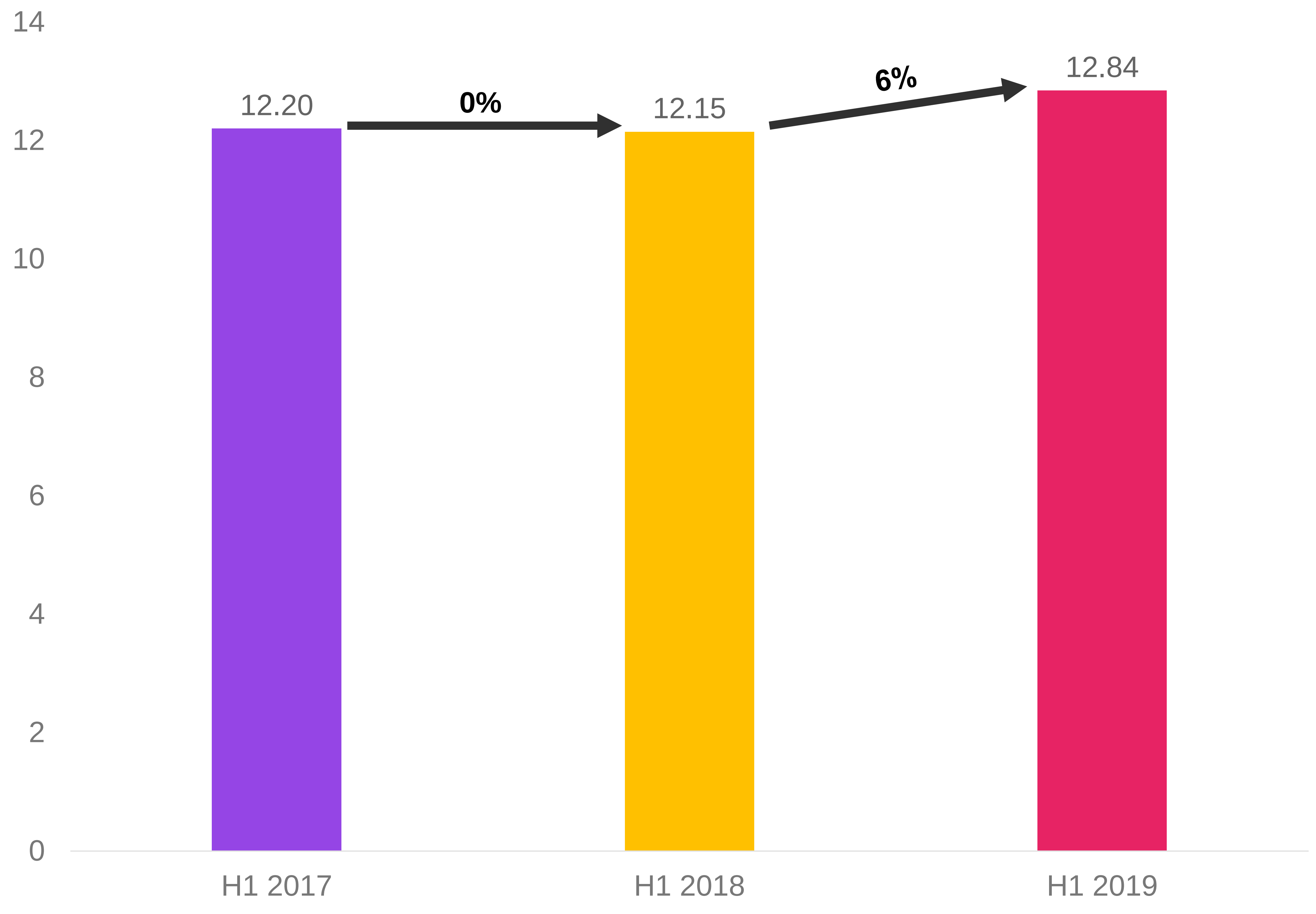


[1] Supporting brands refers to Hostelbookers, Hostels.com, (hostel & affiliate) booking engines

H1 2019 ABV

Average commission rate increases drive ABV

GROUP AVERAGE BOOKING VALUE (“ABV”) (€)[1]



ABV increased by 6% (H1 2018: flat), 2% increase in constant currency

Tailwinds

- Increase in average commission rates to **16.0%** (H1 2018: **15.3%)**.
- New contracts implemented in February 2018 and January 2019, **>96%** properties and **>89%** of bookings now on a **15%** base rate. (**Note**: This base rate excludes the effect of any volume incentive agreements).
- Positive impact of exchange rate movements.

Headwinds

- Slight decline in underlying bed price, driven by destination mix.
- Bednights per booking have declined (albeit at a slower rate than prior periods) in line with expectations as a result of continued shift to App/Mobile.
- Elevate penetration as expected declined due to increases in base commission.

Growth H1 2019 vs. H1 2018	Hostelworld	Supporting Brands	Total
ABV	6%	7%	6%

[1] Note: ABV based on Group Gross revenues/gross bookings (ABV excludes Advertising Revenue, Groups Revenue and Rebates)

H1 2019 NET REVENUE

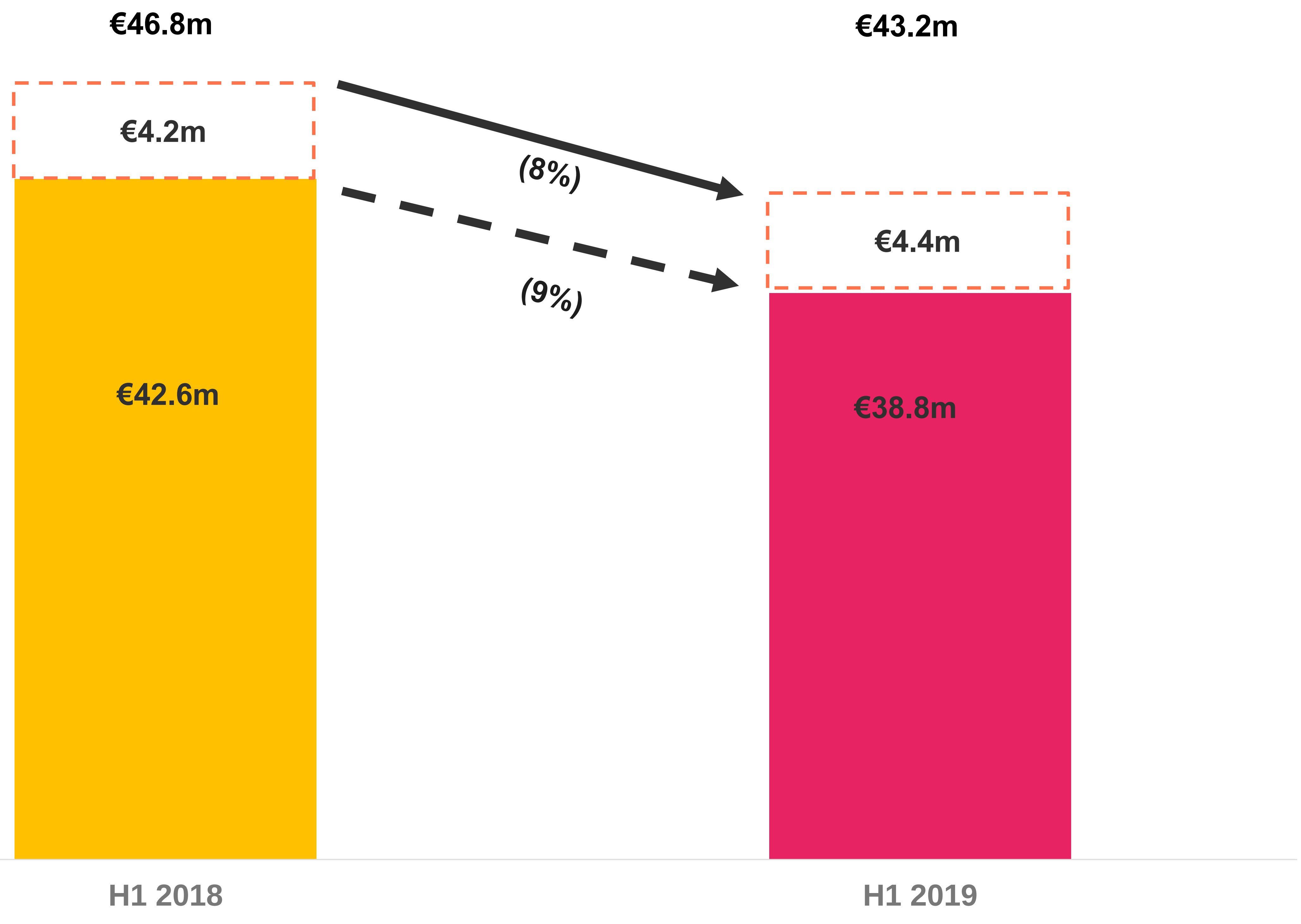
H1 impacted by free cancellation product rollout (fully rolled out July 2018)

Group Net Revenue

- **€38.8m** Net Revenue, **9%** decrease from H1 2018, **12%** decrease on constant currency basis.
- Excluding the impact of **€4.4m** deferred revenue (H1 2018: **€4.2m**), **8%** decrease and **11%** decrease in constant currency.
- H1 2018 saw the free cancellation product being rolled out gradually before the full global rollout in July 2018.
- Given the timing of the rollout in 2018 an increased level of cancellations was expected for H1 2019 (**0.3m** cancelled bookings) (H1 2018: **0.1m** cancelled bookings).
- Underlying cancellation rates remain within the expected range. Refer to the Appendix for further details on the free cancellation product.

Growth H1 2019 vs. H1 2018	Hostelworld	Supporting Brands	Total
Net revenue *(excluding the impact of deferred revenue)*	(6%)	(46%)	(8%)

HOSTELWORLD GROUP NET REVENUE



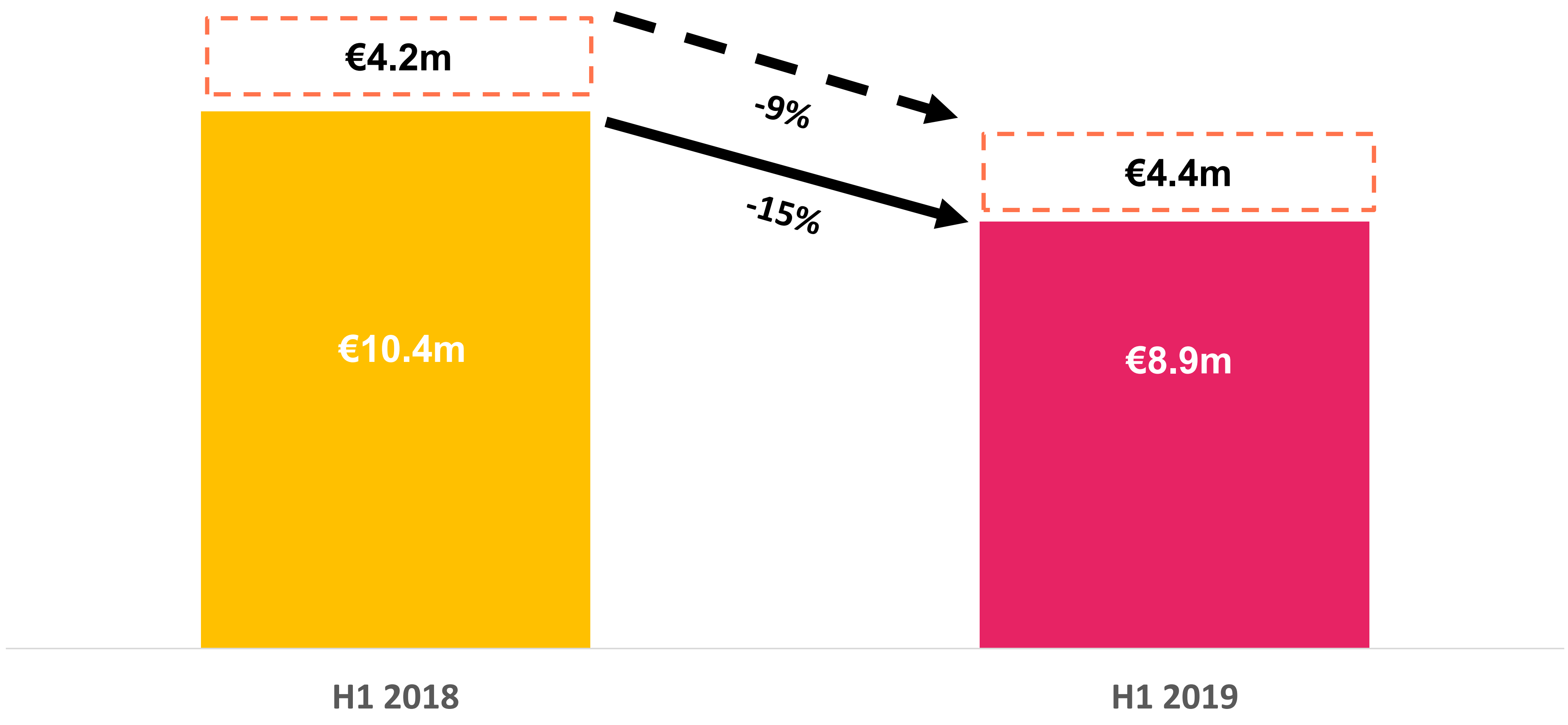
H1 2019 PERFORMANCE

Strong cash generation and cash conversion characteristics maintained

Profit

- **€8.9m** Adjusted EBITDA, **17%** decrease in constant currency (H1 2018: **€10.4m)**, **11%** decrease in constant currency excluding the impact of deferred revenue.
- Adjusted EBITDA margin **23%**, (H1 2018: 24**%**), **31%** margin excluding the impact of deferred revenue (H1 2018: **31%**).
- **€6.2m** Adjusted PAT, **22%** decrease in constant currency, (H1 2018: **€7.6m**).

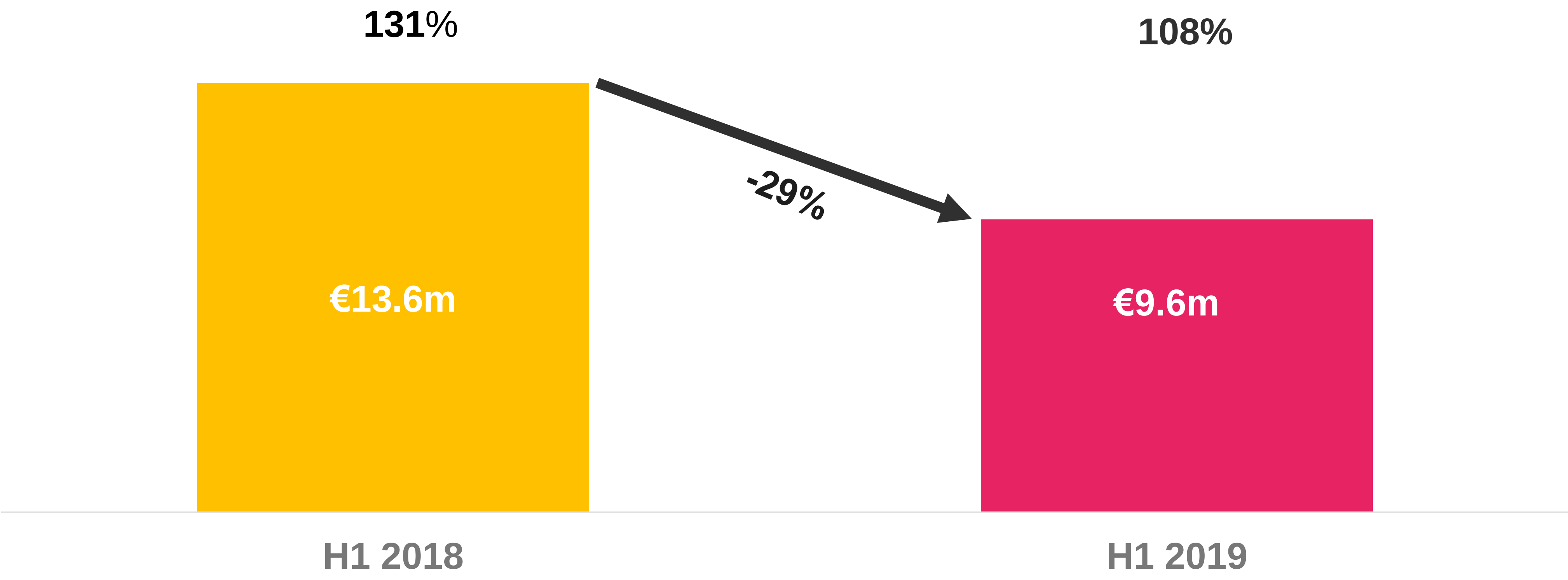
HOSTELWORLD GROUP ADJUSTED EBITDA[1]



Cash

- Strong underlying adjusted free cash conversion of **108%**, (H1 2018: **131%**), **81%** excluding the impact of deferred revenue and the impact of a timing of a debtor related to a group reorganisation (H1 2018: **93%**).
- Strong balance sheet: Cash of **€25.4m** at 30 June 2019, (30 June 2018: **€22.9m**).

ADJUSTED FREE CASH FLOW & ADJUSTED FREE CASH CONVERSION (%)[2]

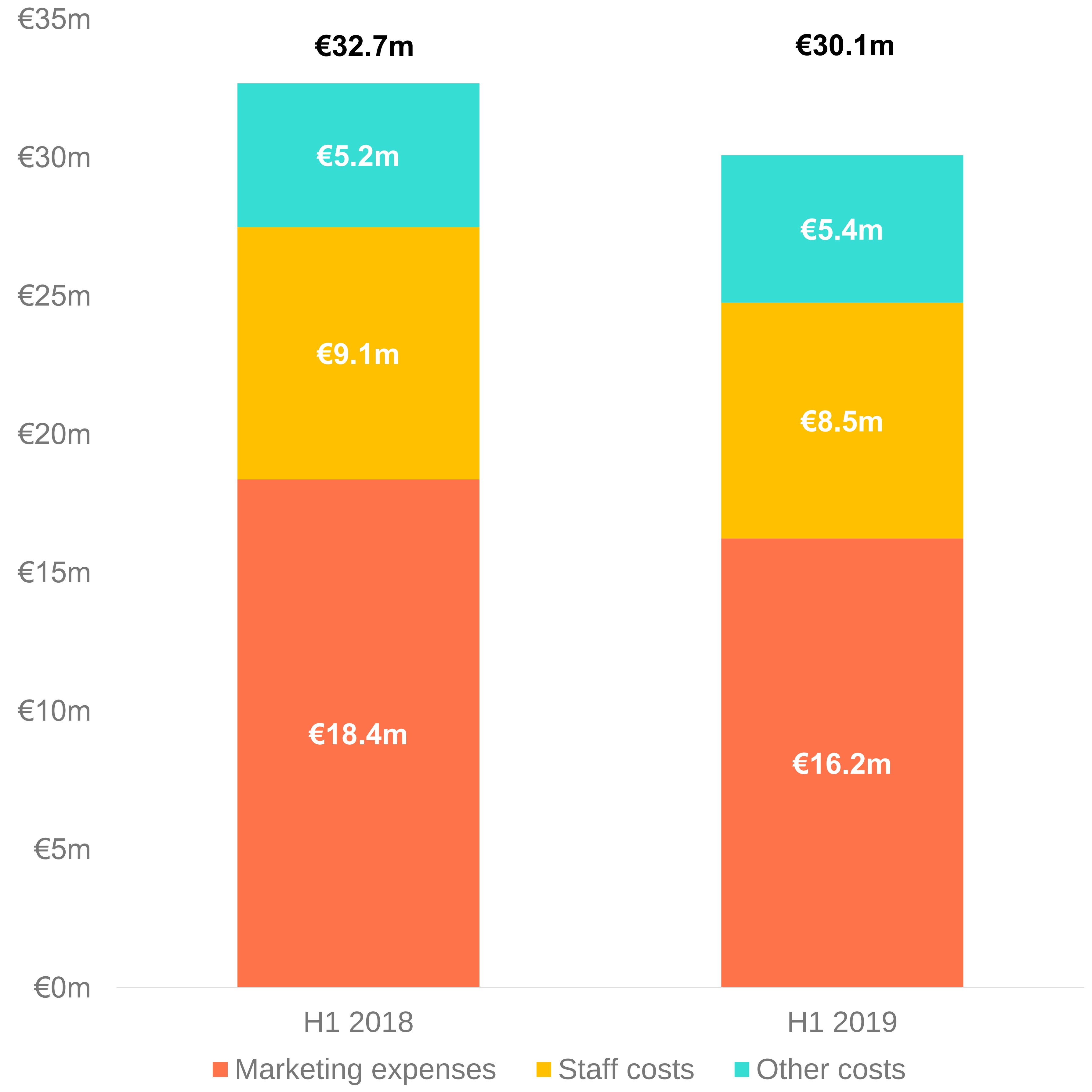


Source: Management information
[1] Adjusted EBITDA excludes exceptional items and is net of deferred revenue in relation to free cancellations, this revenue will be recognised at the point at which the traveller no longer has the right to cancel
[2] Adjusted free cash flow defined as free cash flow before financing activities adjusted for financial expenses, M&A costs and impairment costs; adjusted free cash conversion shown as a percentage of adjusted EBITDA

H1 2019 GROUP ADMINISTRATIVE EXPENSES

Refocused marketing investment during H1 2019; continued headcount investment

HOSTELWORLD GROUP ADMINISTRATION EXPENSES[1]



Overall administration expenses have decreased by 8%[2]:

- Gross staff costs (excluding share based payment expense, development labour capitalisation and bonus expense) increased by **3%** from **€9.2m** to **€9.4m**. Average full time equivalent headcount increased by **7%** from **281** in H1 2018 to **300** in H1 2019.
- Other costs increased by **4%**, driven by planned increased investment in technology overheads.
- Marketing expenses reduced by **12%**, driven by planned reduction in category advertising offset by higher than anticipated cost inflation in performance marketing channels.

Source: Management information

[1] The Group has adopted IFRS 16 Leases from 1 January 2019, as disclosed in note 2 to the condensed consolidated financial statements. The Group has applied the modified retrospective approach, and as a result it has not restated prior periods on adoption in its financial statements. For comparative purposes H1 2018 has been restated in this presentation to reflect the impact of adopting IFRS 16, in order to give a true and fair comparative of underlying performance

[2] Administration expenses exclude exceptional items

Note: Marketing expenses include affiliate advertising, PPC costs and other marketing expenses; Other expenses include website maintenance, credit card fees, holding company administration costs, establishment costs and other admin costs

DIVIDENDS

Strong cash returns to shareholders

- Interim dividend of **4.2** euro cent per share (H1 2018: **4.8** euro cent per share). Dividend payout in line with stated dividend policy.
- Including interim dividend H1 2019 (**€4.0m**), **€60.7m** returned to shareholders since IPO in 2015.

Capital allocation

- We continue to assess opportunities (both organic and inorganic) to accelerate growth.
- We also continue to review all options on how we return capital to shareholders.

Dividend Profile	FY 2015	FY 2016	FY 2017	FY 2018	H1 2019
Interim dividend per share	-	4.8c	5.1c	4.8c	4.2c
Final dividend per share	2.75c	10.4c	12.0c	9.0c	
Full year dividend per share	**2.75c**	**15.2c**	**17.1c**	**13.8c**	
Supplementary dividend per share	-	10.5c	-	-	
Total dividend per share	**2.75c**	**25.7c**	**17.1c**	**13.8c**	
Dividend payout:					
Interim	-	€4.6m	€4.9m	€4.6m	€4.0m
Final	€2.6m	€9.9m	€11.5m	€8.6m	
Supplementary	-	€10.0m	-	-	
Total dividend payout	**€2.6m**	**€24.6m**	**€16.3m**	**€13.2m**	

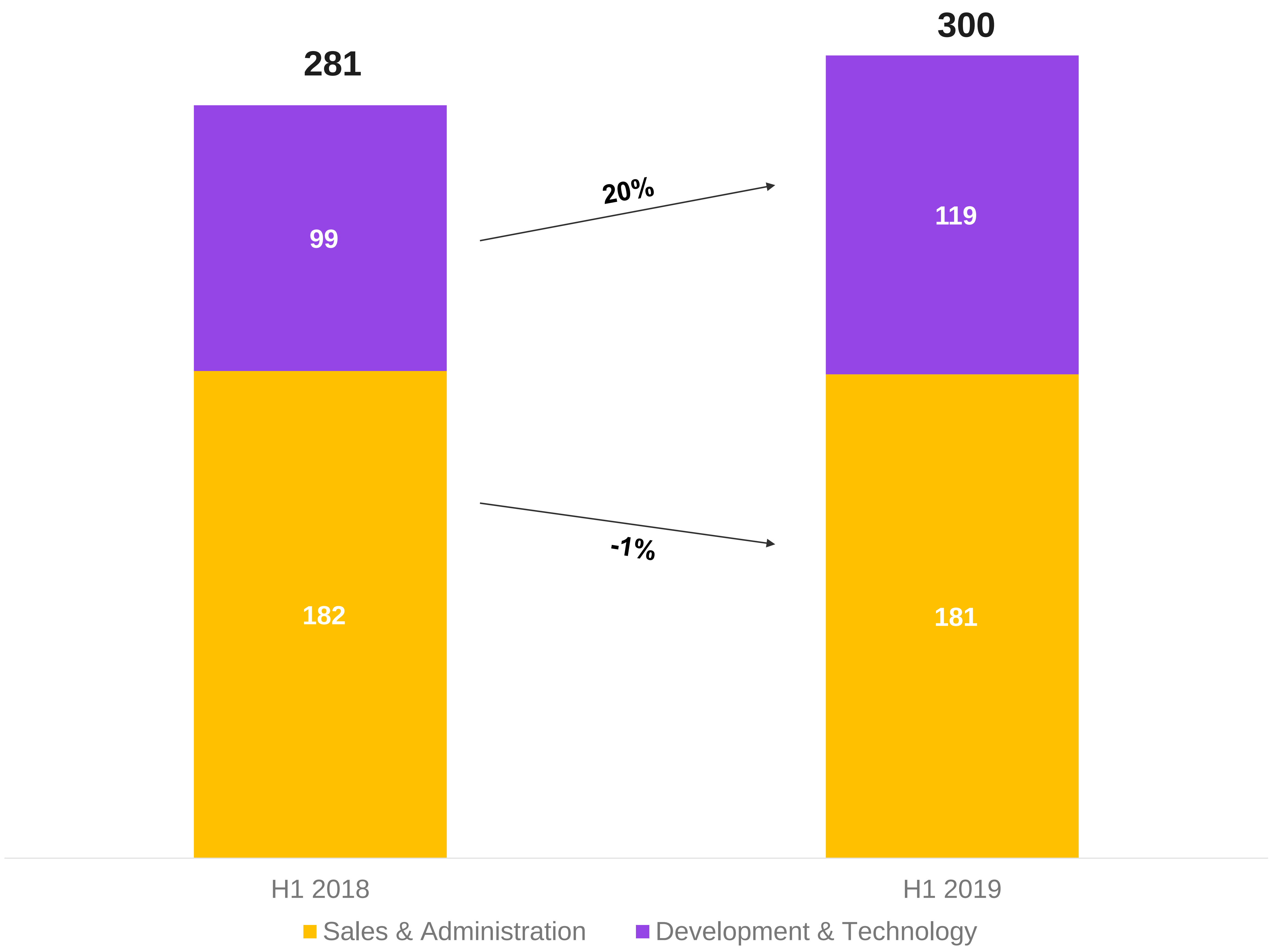
LES PIAULES, PARIS

Source: Management information

OPERATIONAL PERFORMANCE

ONE80HOSTEL, BERLIN

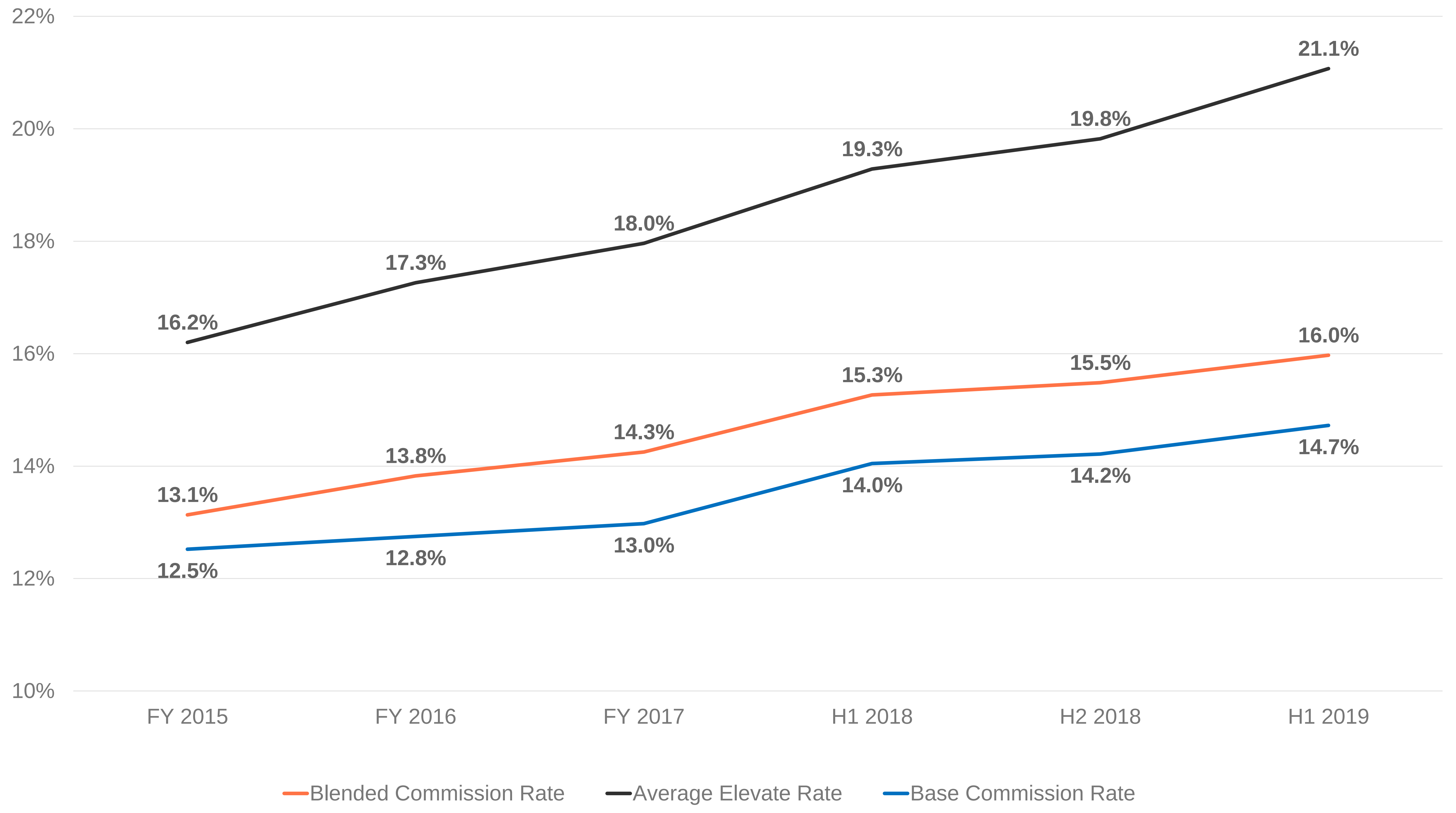
INCREASED INVESTMENT IN TECHNOLOGY



- Average full time equivalent (FTE) headcount increased by **7%** from **281** in H1 2018 to **300** in H1 2019.
- Average FTE in development and technology headcount increased by **20%** in H1 2019. This headcount comprises engineering and product staff.
- Continued expansion of Porto development centre. Employee numbers in Porto in H1 2019 increased to **59** (H1 2018: **36**).
- We plan to continue investment in product, technology and data science in H2 2019 (insourced/outsourced) to enable us to accelerate the delivery of our strategy.

COMMISSION RATE EVOLUTION

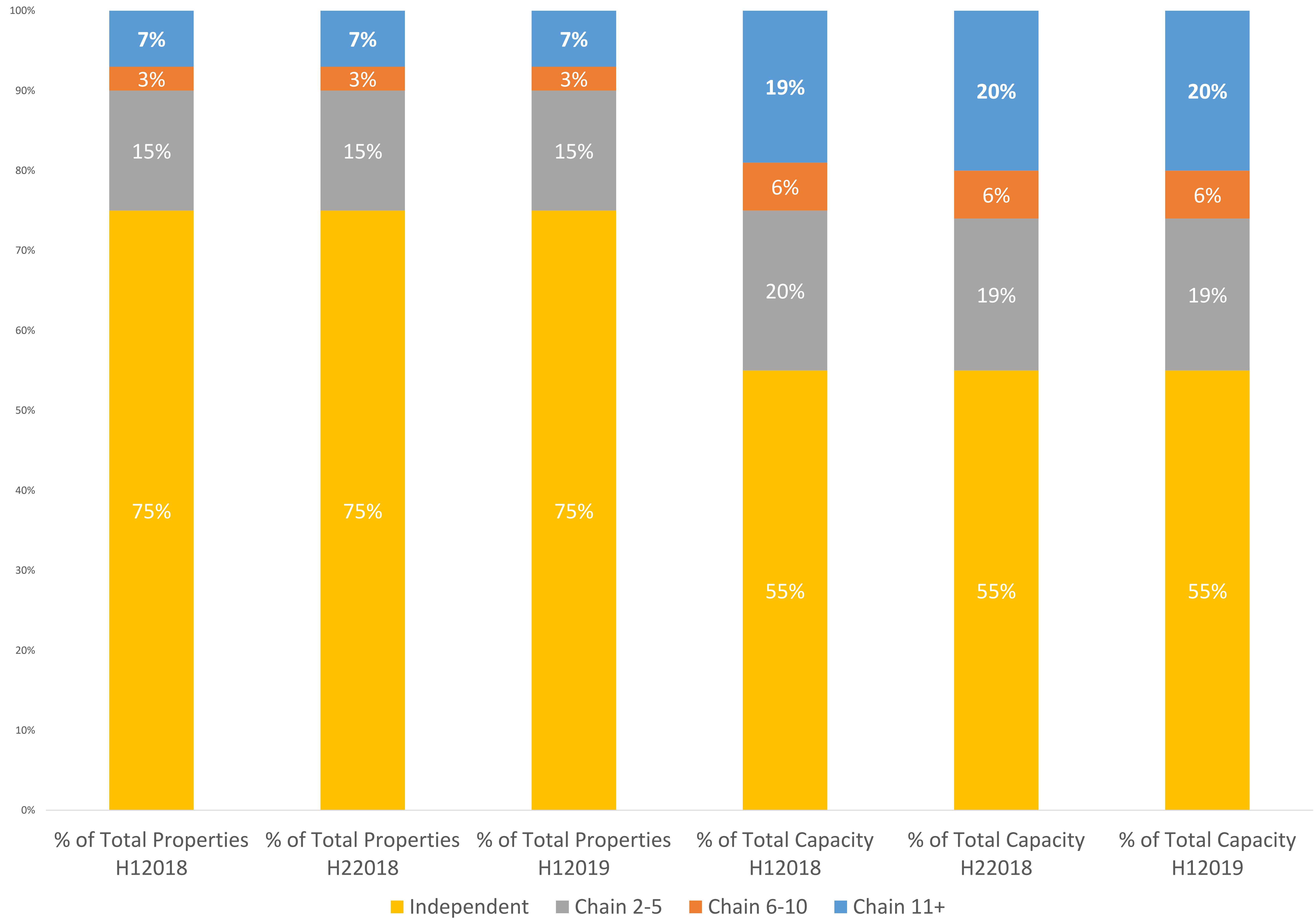
Average commission rate increases



- Base commission increased in February 2018 and January 2019.
- In H1 2019 more than **96%** of properties and > **89%** of bookings are on a **15%** base rate. (**Note**: This base rate excludes the effect of any volume incentive agreements).
- No further base commission rate changes are planned at this time.
- Maximum Elevate band increased in September 2017. In H1 2019 just under a third of bookings continue to Elevate.
- Blended commission rate increased by **5%** in H1 2019 against H1 2018.

SUPPLY EVOLUTION

Supply base fragmentation remaining stable[1]



Examples of planned developments:

- Safestay expect to increase from 13 to 20 properties in the coming years.
- Pariwana to open 10 new properties over the next five years.
- a&o to open a further five new properties by mid 2021.
- Jo&joe to open six new properties by end of 2020 in key Europe and South America destinations.
- Viajero to open 20 properties over next five years.
- Selina to grow to 100+ properties by end of 2020.
- Amistat joint venture with Blackrock, aiming to open 15 properties in major European destinations over the next four years.

Source: Management information

[1] Based on hostel properties that received a booking in H1 2019 and 2018

FIRST HALF REVIEW

CAPE BYRON YHA, BYRON BAY

ROADMAP FOR GROWTH
Investment is well underway

2018 | 2019 | 2020+

Near term actions
- Strengthened management team
- Refocussed marketing strategy
- Shift to agile organisation
- Improve core search experience

Strengthen the core platform
- Unique hostel content and improved localisation
- Improved booking experience (payment types, currencies & online change/cancel)
- Additional rate plan configurations
- Improved 3rd party platform connectivity

Return to growth
- Investment planned in 2019 to deliver growth in 2020 & beyond
- Leverage Hostelworld's data assets and native app development strengths to exploit our unique and focussed position in the hostel ecosystem

CONTINUED INVESTMENT IN MANAGEMENT TEAM

GARY MORRISON

CEO

Expedia
Google
Motorola

Start date August 2019

YALE VARTY

MARKETING

asos
Expedia
accenture

CATRIONA FLOOD

ANALYTICS & DATA

accenture
Interactive Data
citi

NOEL MAHER

TECHNOLOGY

Pernod Ricard
PADDYPOWER.
mor DIGITAL ENGAGEMENT

Start date April 2019

FABRIZIO GIULIO

SUPPLY

HOSTMAKER
Expedia
starwood Hotels and Resorts

HIRING

PRODUCT

TJ KELLY

FINANCE

glanbia NUTRITIONALS
Microsoft
GE Capital

Start date November 2019

JODY JORDAN

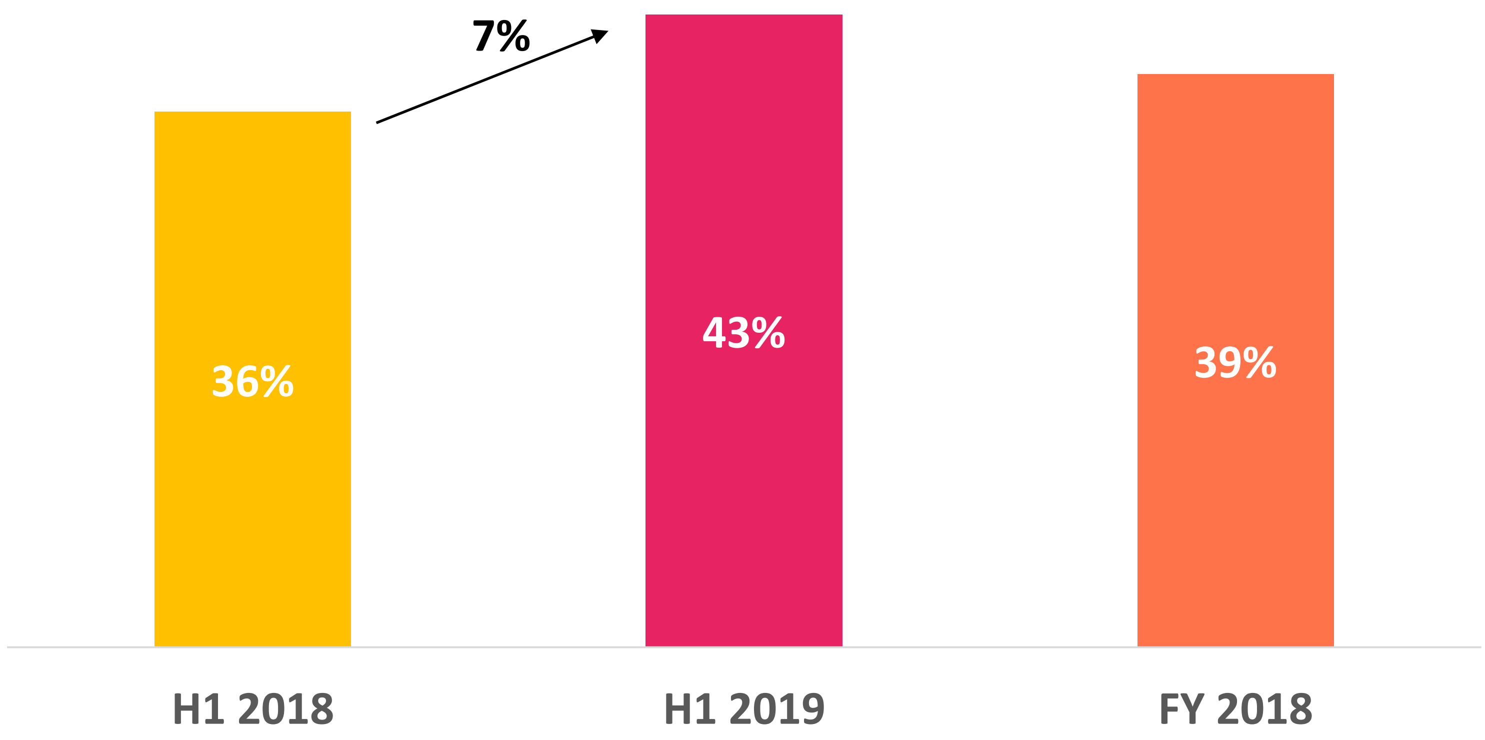
HUMAN RESOURCES

KERRY FOODS
PADDYPOWER.
vodafone

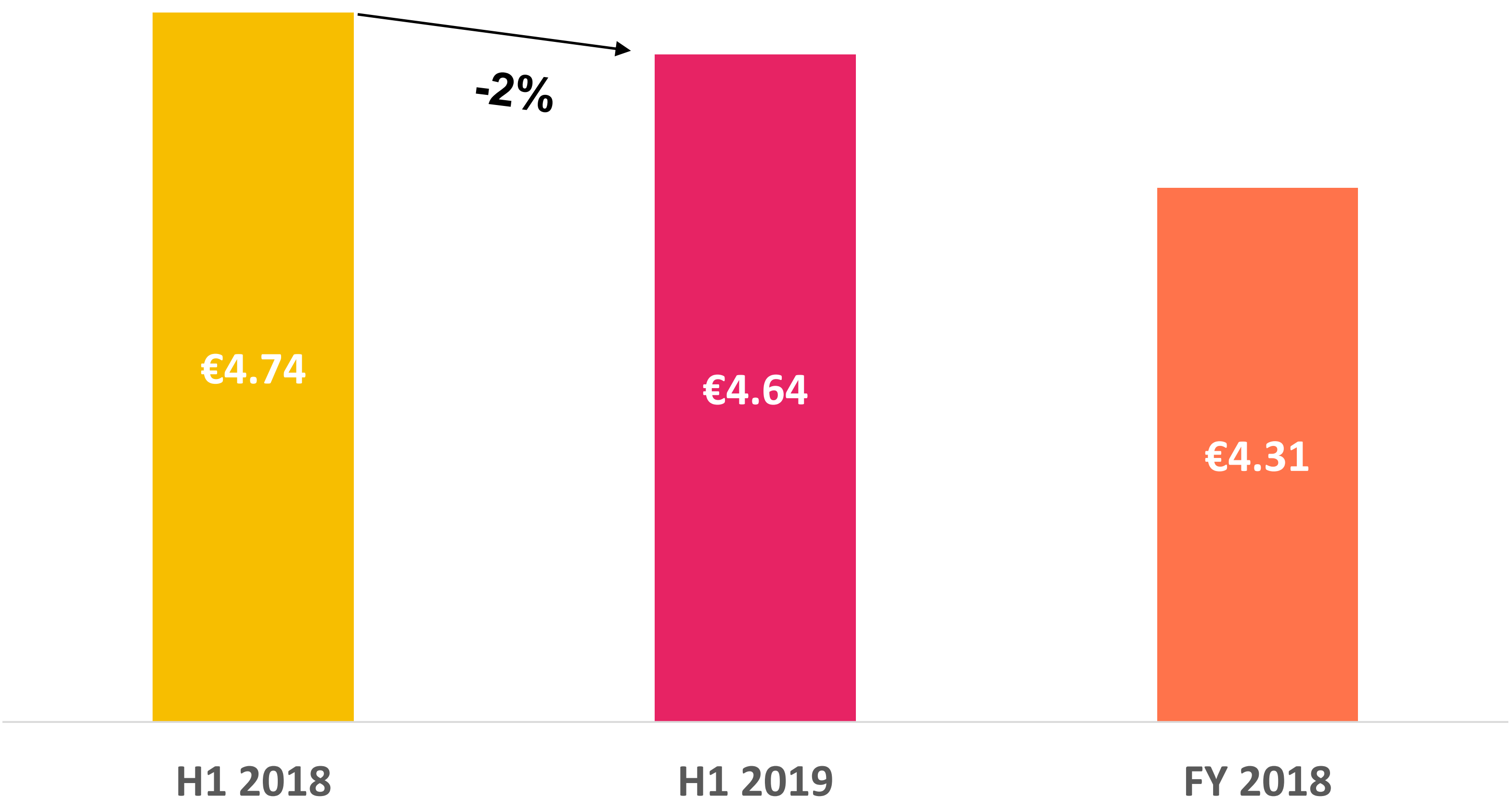
MARKETING STRATEGY

Refocussing marketing strategy to drive growth

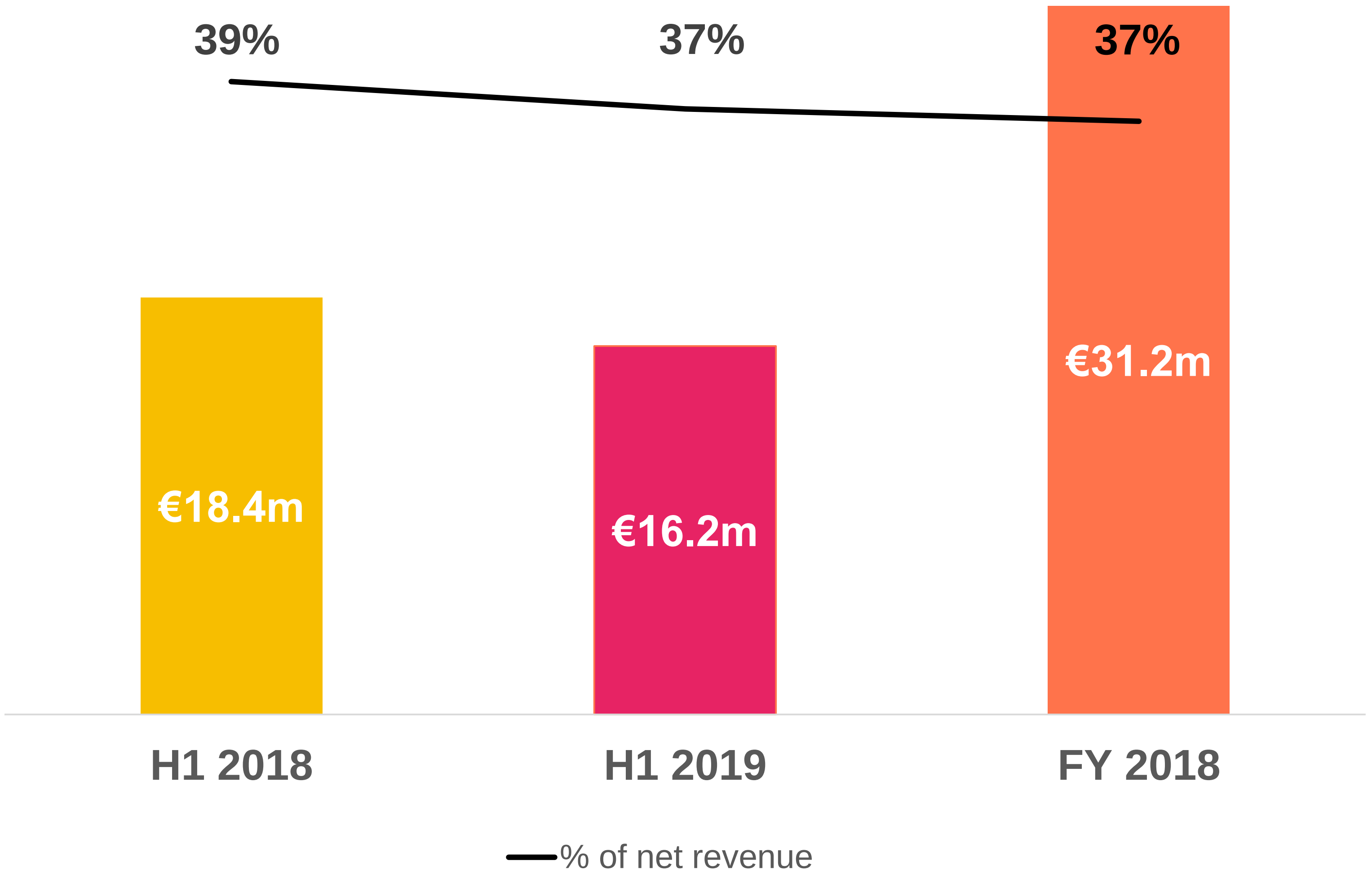
APP AS A % OF NET BOOKINGS (GROUP)



MARKETING COST PER NET BOOKING (€) (GROUP)



MARKETING COST AS A % OF NET REVENUE[1] (GROUP)



- Continued momentum in App penetration.
- Slight reduction in Marketing cost per net booking, driven by a planned reduction in category advertising, offset by higher than anticipated cost inflation in performance marketing channels, and increased cancellations in H1 2019 relative to H1 2018 due to the phased launch of the free cancellation product in H1 2018.
- Marketing cost as a percentage of net revenue (excluding the impact of deferred revenue) is falling faster than marketing cost per net booking as a result of the half year on half year ABV increase.

[1] Excluding the impact of deferred revenue

CORE ROADMAP UPDATE

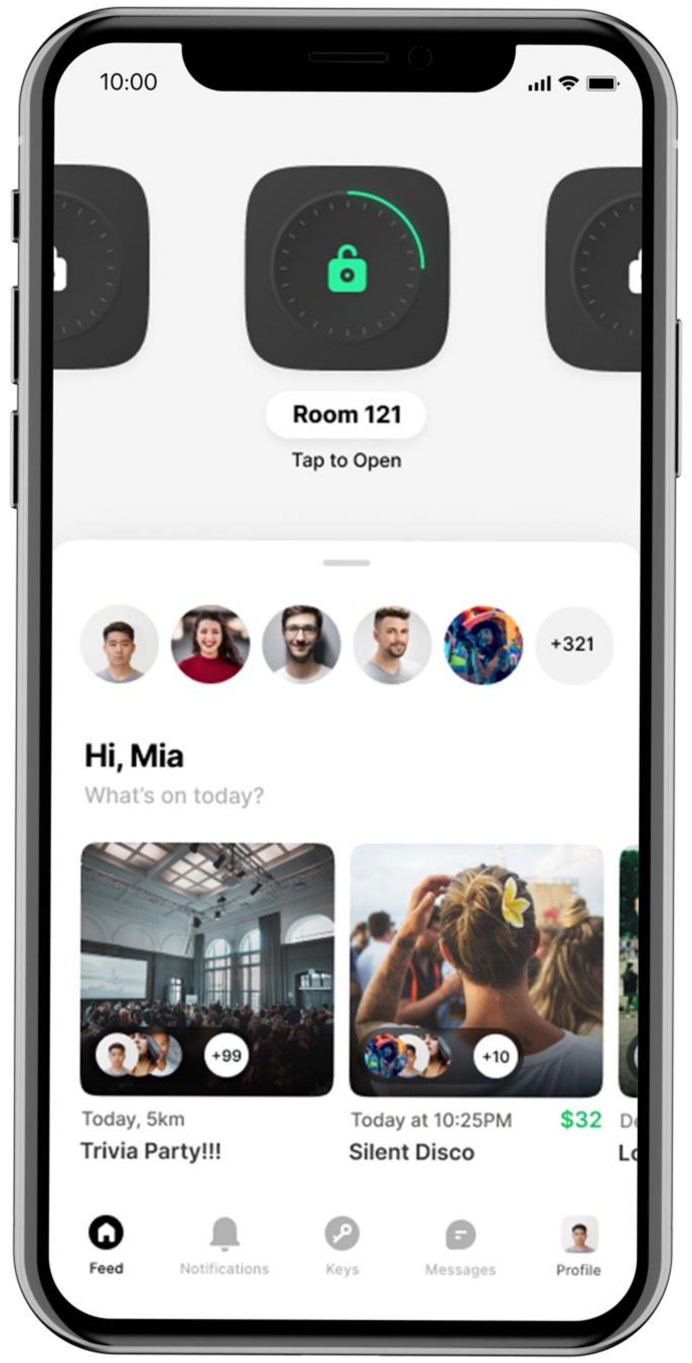
Solid progress in first half 2019

Initiative	Progress	Status
Core search experience	• Foundational optimisation platform built • Initial tests show conversion uplift potential, ongoing optimisation into 2020	On track
Improved booking experience	• Complexity of delivering the improved payments platform greater than anticipated • First product on improved payments platform will launch Q1 2020 • Change booking in development. Will launch Q4 2019	Behind schedule
Unique hostel content	• Pilot tests conversion positive. SEO benefits will take time to accrue • Additional content opportunities identified and being pursued	On track
Migrate website to a progressive web app	• Increases web platform speed, especially on mobile • Enables App like experience, including push notifications and offline mode • Reduces tech debt burden, migration will be largely complete by year end	New item
Rate plan configurations & 3rd party platform connectivity	• Additional rate plan features launched during H1 2019 with more due later this year • 3rd party platform connectivity issues being addressed	On track
Supplier facing platform & hostel ecosystem	• Extranet: steady stream of enhancements shipped • Property Management System (PMS): future options (organic, partnership, inorganic) under review • Guest Management System (GMS): strategic investment announced in Tipi Pty Ltd to address this opportunity	Ahead of schedule

INVESTING IN OUR ROADMAP FOR GROWTH

Strategic investment in Tipi Pty Ltd, an innovative Guest Management System for Hostels

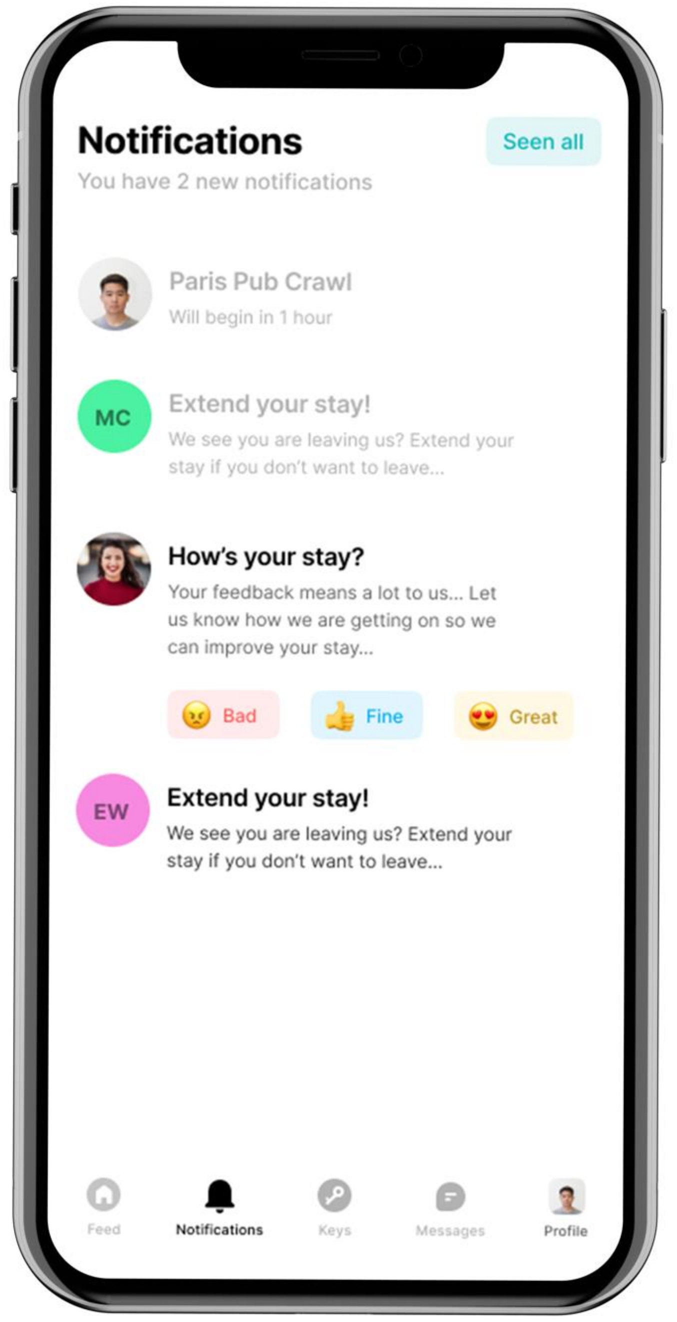
Innovative Hardware and Consumer App solution to fully automate Check-In and Door access control



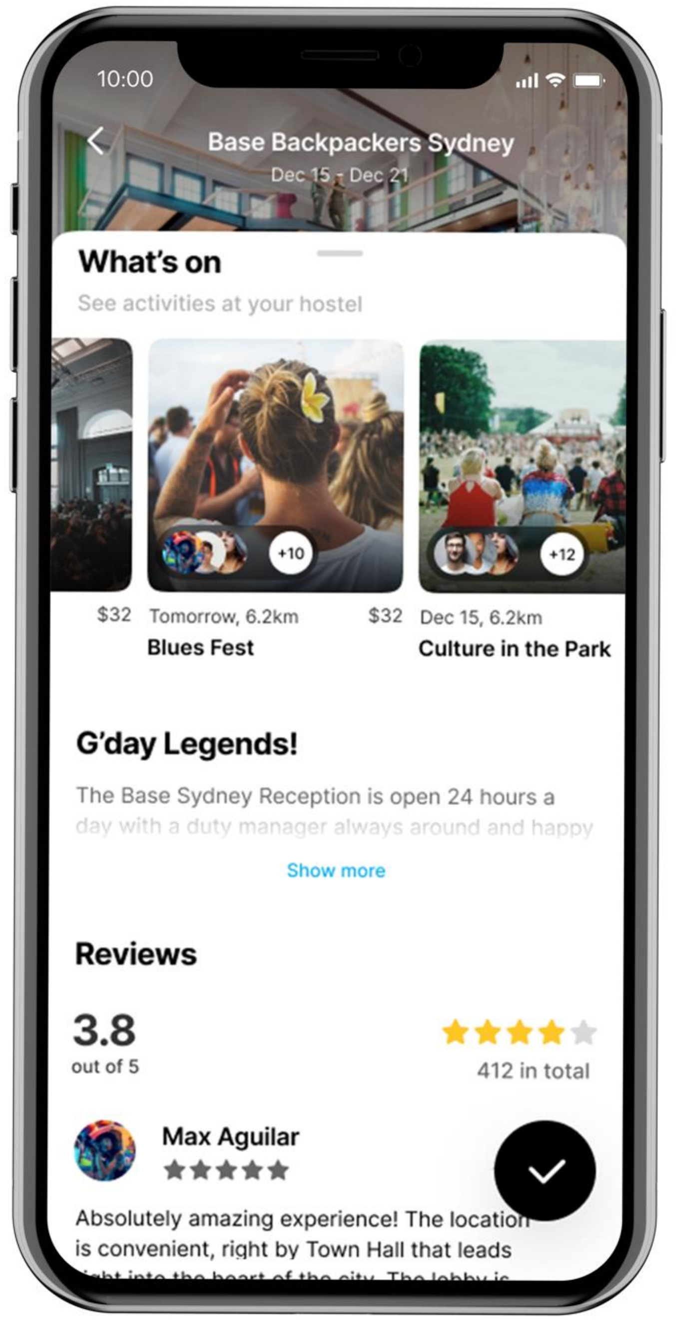
INVESTING IN OUR ROADMAP FOR GROWTH

Strategic investment in Tipi Pty Ltd, an innovative Guest Management System for Hostels

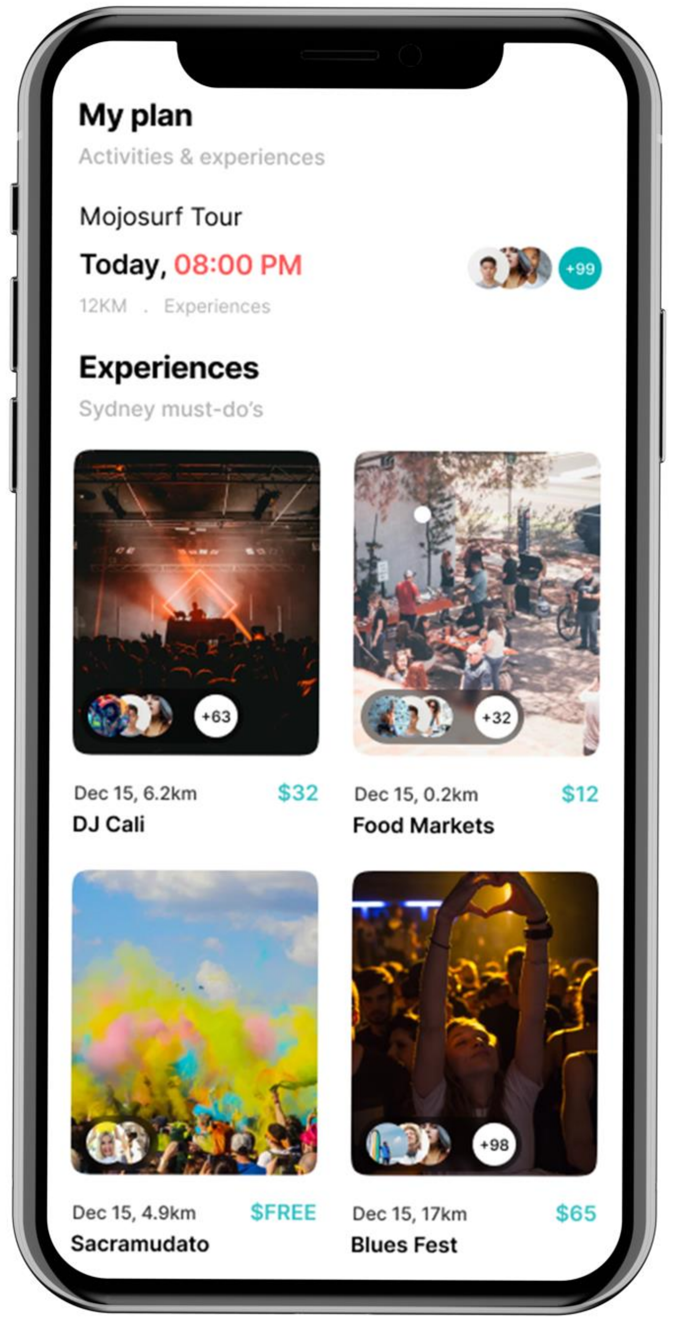
Also provides Hostels with a complete Guest Management System using the same Consumer App



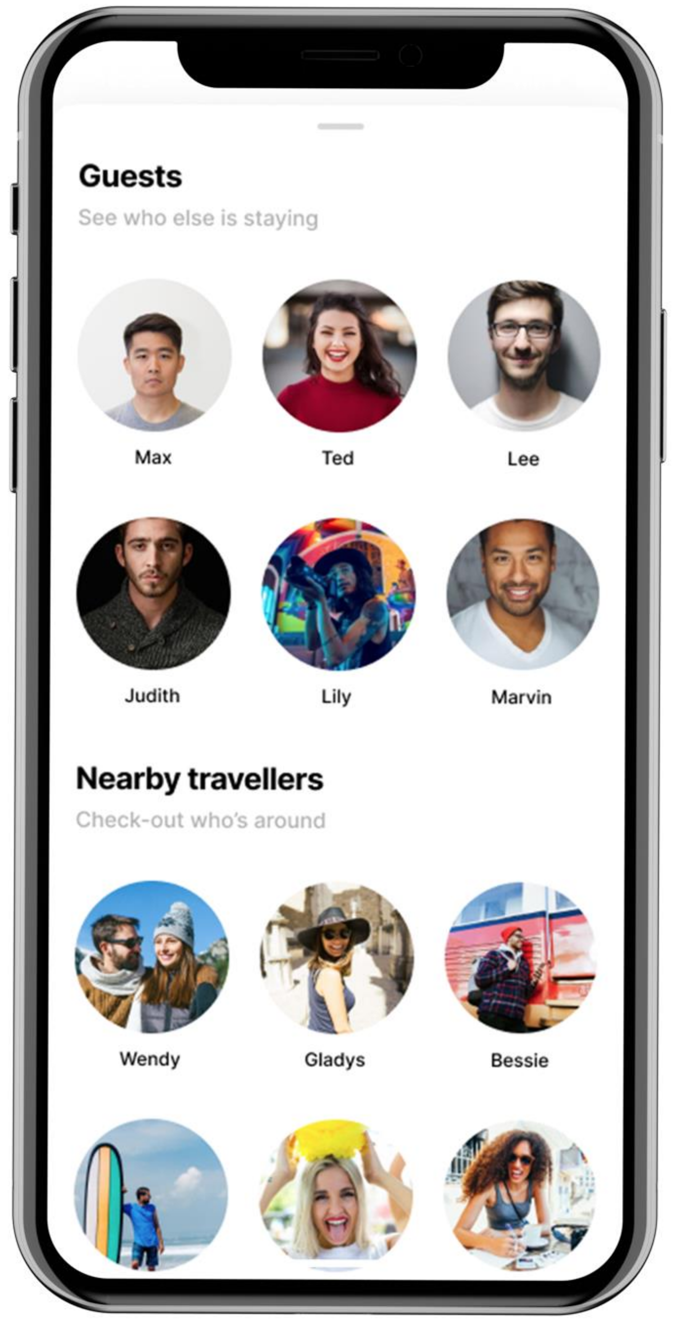
Customer service



Hostel events



In-destination experiences

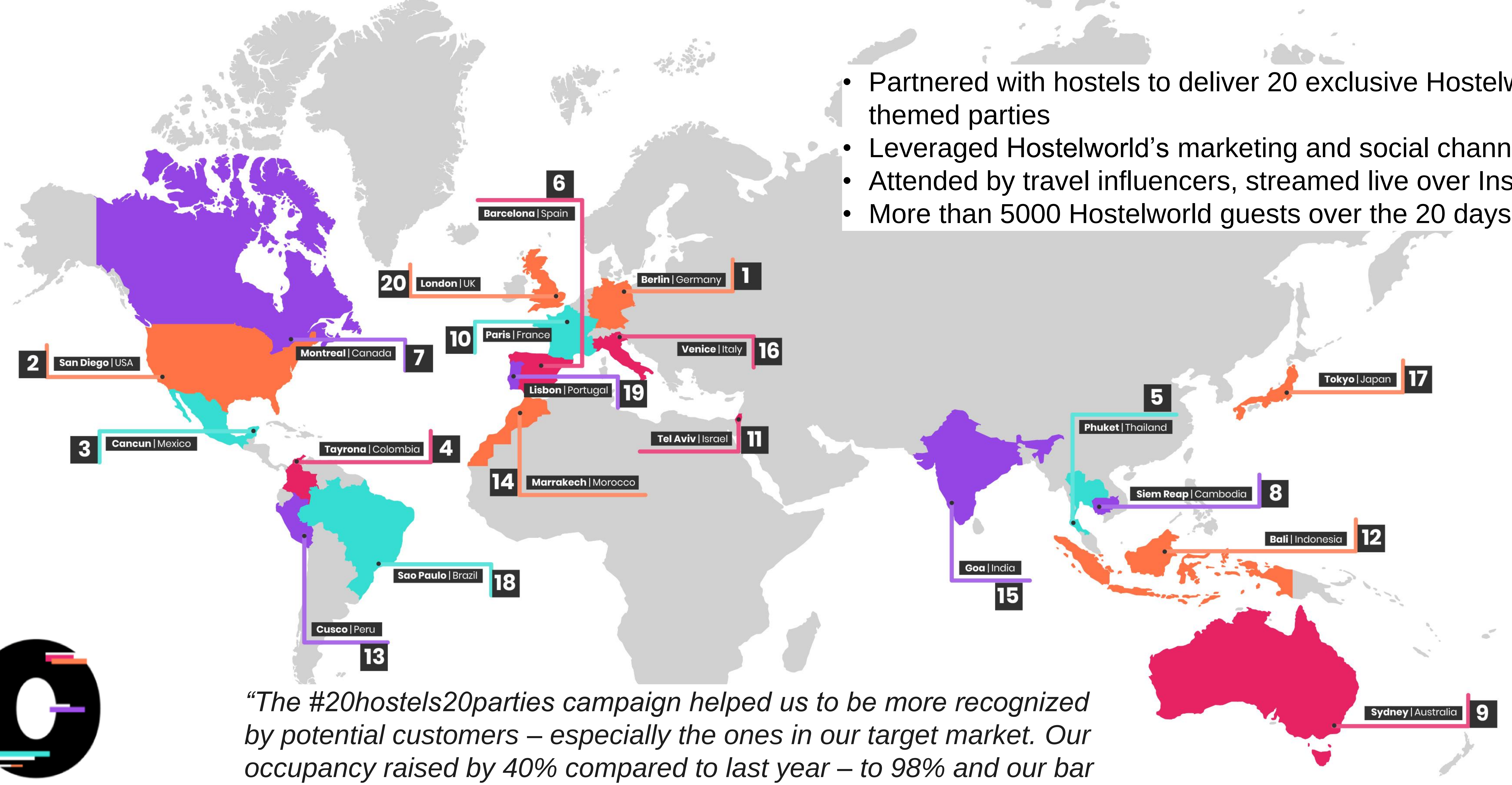


Communicate with other guests

EXPLORING NEW WAYS TO PARTNER WITH HOSTELS

20 Parties | 20 Countries | 20 Consecutive days

- Partnered with hostels to deliver 20 exclusive Hostelworld themed parties
- Leveraged Hostelworld's marketing and social channel reach
- Attended by travel influencers, streamed live over Instagram
- More than 5000 Hostelworld guests over the 20 days



20 Years Young

The World's Biggest Hostel Party

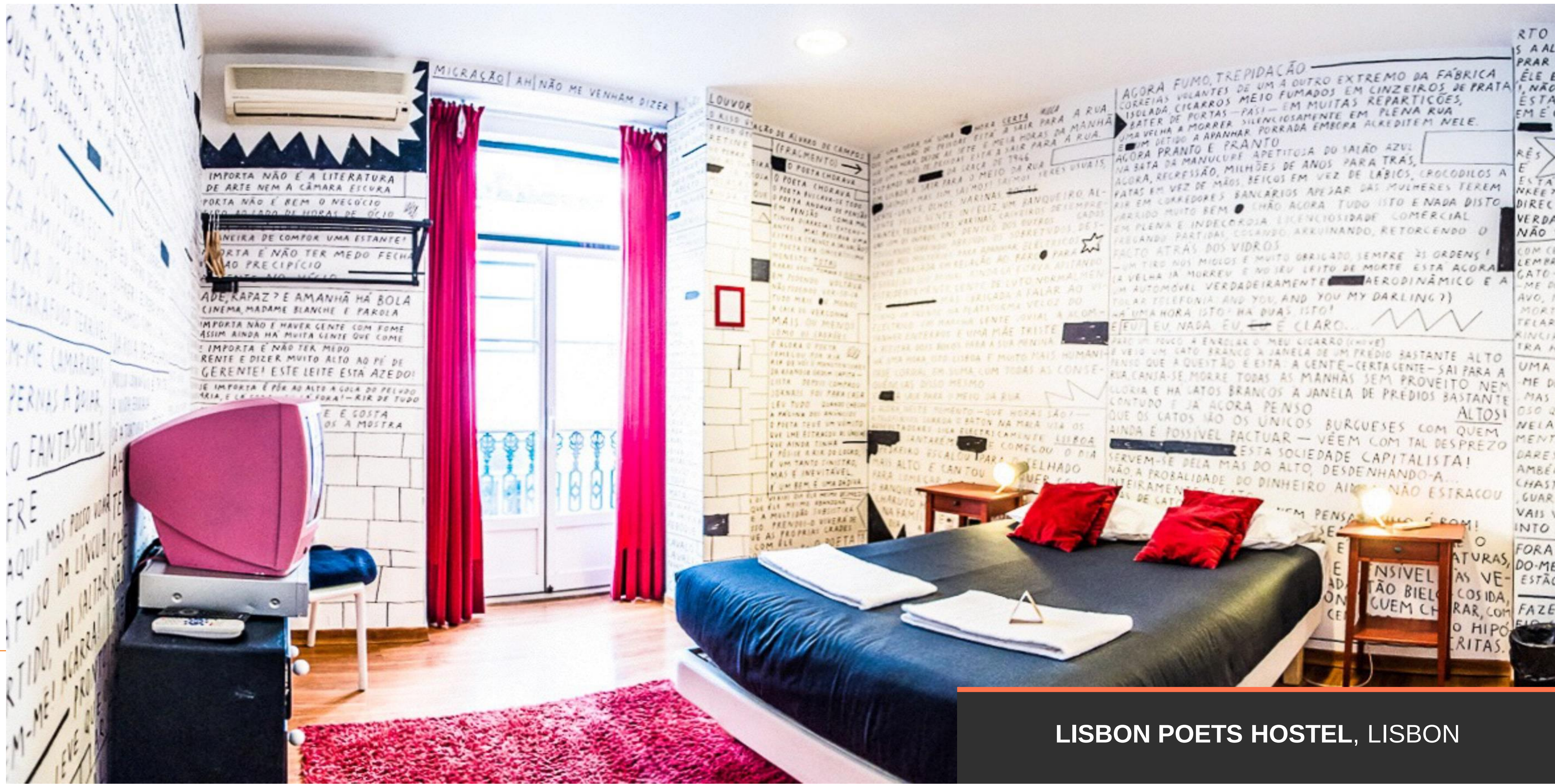
"The #20hostels20parties campaign helped us to be more recognized by potential customers – especially the ones in our target market. Our occupancy raised by 40% compared to last year – to 98% and our bar sales more than doubled" - White Rabbit Hostel, Siem Reap

CONTINUE TO SEE SIGNIFICANT OPPORTUNITIES FOR FUTURE GROWTH

Significant opportunities to extend our core platform beyond accommodation for the benefit of our customers and hostel partners

- Assist hostel partners market their ancillary portfolio to a wider group of in-destination travellers
- Assist other businesses reach millennial in-destination travellers
- Develop/market in-path ancillaries on our booking platform

MADAMA HOSTEL, MILAN

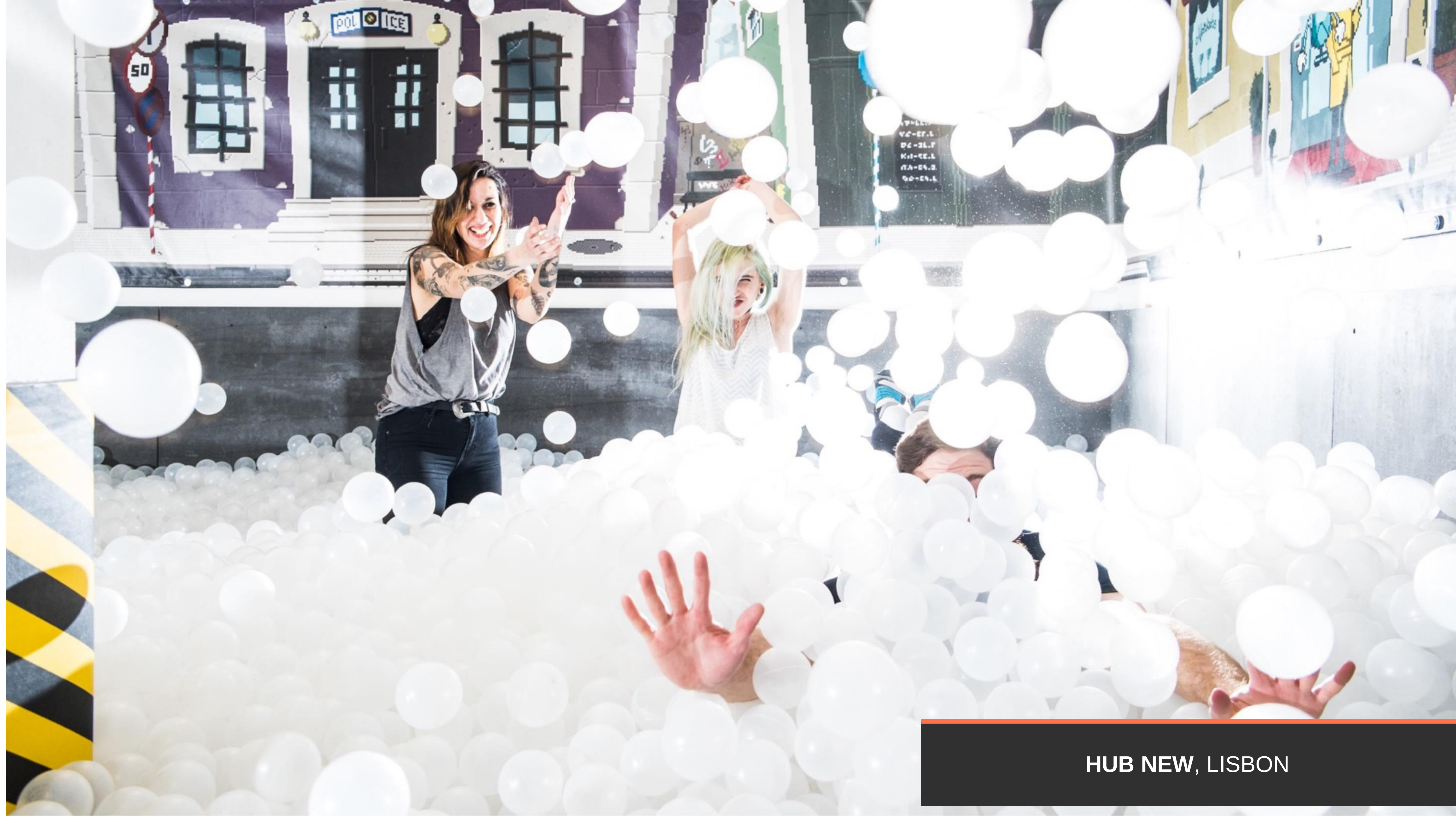


LISBON POETS HOSTEL, LISBON

SUMMARY
A bright future – investing for growth

Strategic Highlights
- Strengthened management team
- Execution of the 'Roadmap for Growth' is progressing well
- Strategic Investment in Tipi Pty Ltd to complement our product offering

Return to volume growth during 2020



HUB NEW, LISBON

LUB D KOH SAMUI CHAWENG BEACH, KOH SAMUI

LUCKY LAKE, NETHERLANDS

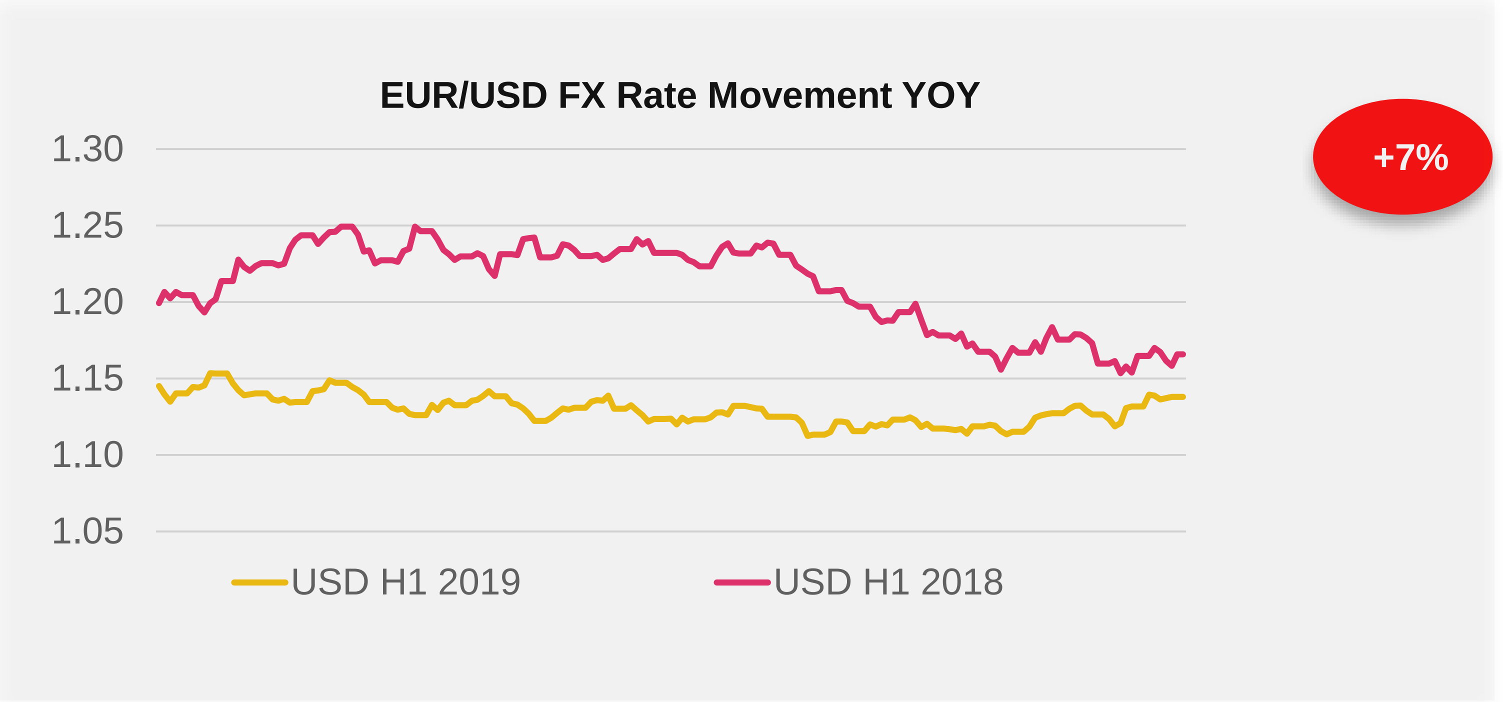
CASA GARCIA, BARCELONA

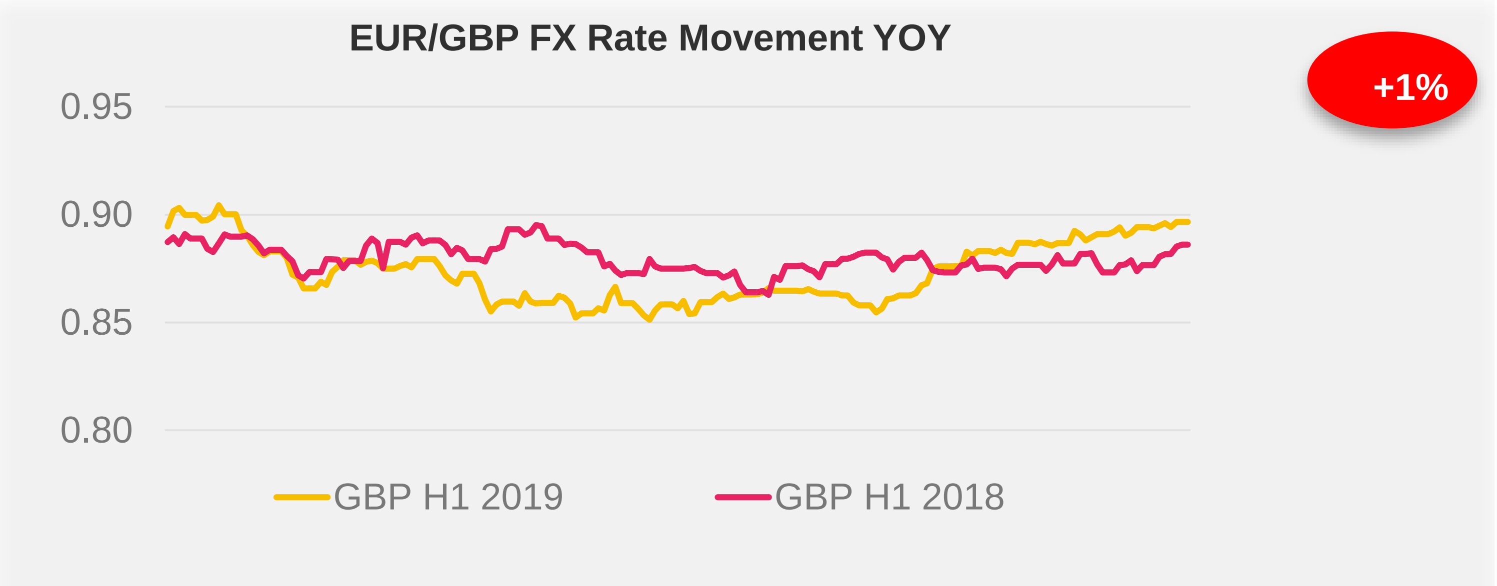
Q&A

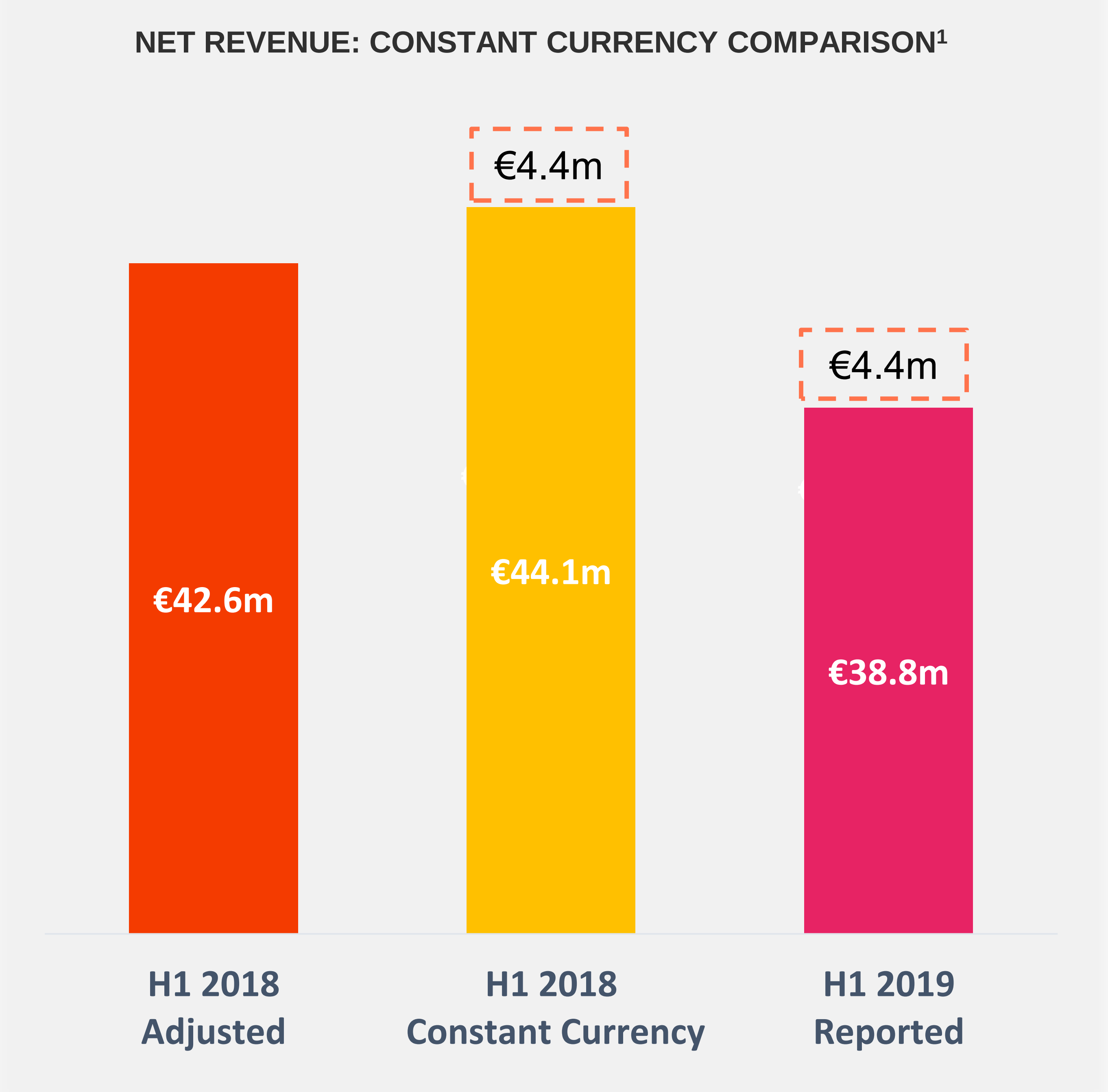
APPENDIX

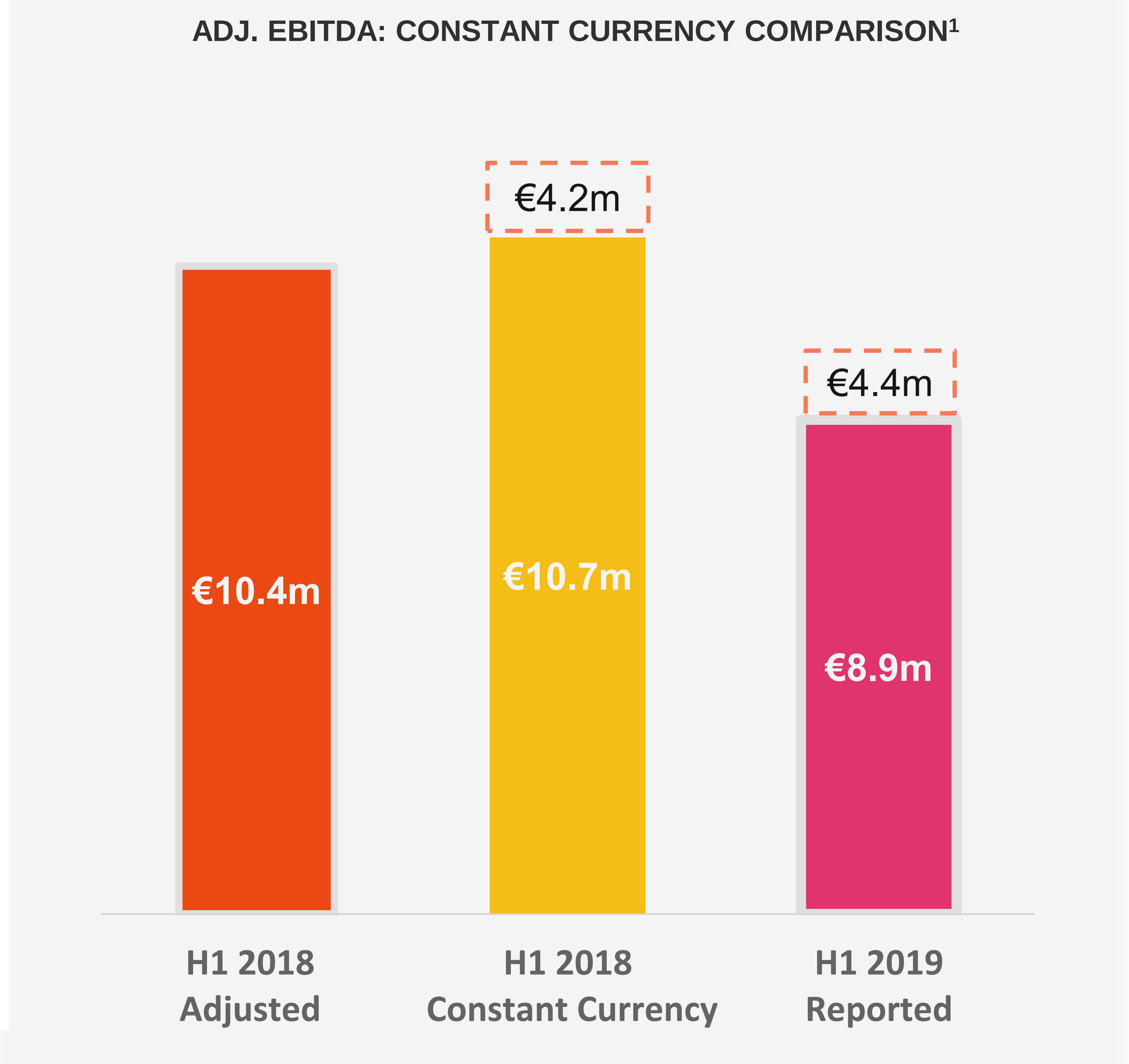
FOREIGN EXCHANGE

NET REVENUE (EXCLUDING DEFERRED REVENUE) DECREASED BY 11% IN CONSTANT CURRENCY









- 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 decreased by **12%** (**€5.3m**), decrease of **11%** excluding the impact of deferred revenue.
- On a constant currency basis, Adjusted EBITDA has decreased by **17%** (**€1.8m**), decrease of **11%** excluding the impact of deferred revenue.
- A **1%** movement in USD had **0.49%** impact on H1 2019 Adjusted EBITDA and a **1%** movement in GBP had **0.40%** impact on H1 2019 Adjusted EBITDA based on the H1 2019 currency profiles of our revenue and cost base.
- 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.

Source: Management information
[1] The Group has adopted IFRS 16 Leases from 1 January 2019, as disclosed in note 2 to the condensed consolidated financial statements. The Group has applied the modified retrospective approach, and as a result it has not restated prior periods on adoption in its financial statements. For comparative purposes H1 2018 has been restated in this presentation to reflect the impact of adopting IFRS 16, in order to give a true and fair comparative of underlying performance.

INCOME STATEMENT

€'000	H1 2018 Reported	H1 2018 Adjusted[1]	H1 2019
Revenue	42,621	42,621	38,823
Administrative expenses	(33,243)	(32,677)	(30,075)
Exceptional costs	-	-	(1,285)
Depreciation and amortisation expenses	(6,518)	(7,031)	(7,015)
Operating Profit	**2,860**	**2,913**	**448**
Financial income	4	4	20
Financial expenses	(31)	(120)	(74)
Profit before tax	**2,833**	**2,797**	**394**
Income tax (charge) / credit	(789)	(789)	6,126
Profit for the period	**2,044**	**2,008**	**6,520**
Adjusted Profit measures			
Adjusted EBITDA[2]	9,823	10,389	8,874
Adjusted Profit after tax[3]	7,612	7,577	6,156

- Exceptional costs for the half year of **€1.3m**. These were primarily restructuring related costs (H1 2018: **€nil**).
- Fixed asset depreciation **€0.6m** (H1 2018: **€0.6m**). Depreciation of Right of Use leased assets **€0.5m** (H1 2018: **€0.5m**). Amortisation of capitalised development costs **€0.8m** (H1 2018: **€0.9m**). Amortisation of acquired intangible assets **€5.1m** (H1 2018: **€5.0m**).
- Overall income tax credit of **€6.1m** (H1 2018: **€0.8m** charge) comprises a Group corporation tax charge of **€0.8m** (H1 2018: **€0.7m)** and a deferred tax credit of **€6.9m** (H1 2018: deferred tax charge of **€0.1m)** primarily relating to a timing difference which arose from a group reorganisation which completed in H1 2019.

[1] The Group has adopted IFRS 16 Leases from 1 January 2019, as disclosed in note 2 to the condensed consolidated financial statements. The Group has applied the modified retrospective approach, and as a result it has not restated prior periods on adoption in its financial statements. For comparative purposes H1 2018 has been restated in this presentation to reflect the impact of adopting IFRS 16, in order to give a true and fair comparative of underlying performance.
[2] The Group uses Adjusted EBITDA to show profit without the impact of non-cash and non-recurring items
[3] Adjusted PAT is defined as Reported Profit for the period excluding exceptional costs, amortisation of acquired domain and technology intangibles, net finance costs, share based payment expenses and deferred taxation

CASH FLOW STATEMENT

€'000	H1 2018 Reported	H1 2018 Adjusted[1]	H1 2019
Adjusted EBITDA	9,818	10,384	8,874
Exceptional costs	-	-	(1,285)
Working capital movement	4,664	4,664	2,117
Net interest/income tax paid	(301)	(301)	(507)
Capitalisation and acquisition of intangible assets	(929)	(929)	(501)
Purchase of property, plant and equipment	(180)	(180)	(120)
Free cash flow before financing activities	**13,072**	**13,638**	**8,578**
Dividends paid	(11,468)	(11,468)	(8,601)
Lease liability paid	-	(566)	(555)
Net increase / (decrease) in cash and cash equivalents	**1,604**	**1,604**	**(578)**
Opening cash and cash equivalents	21,294	21,294	25,974
Effect of exchange rate gains and losses	(3)	(3)	-
Closing cash and cash equivalents	**22,895**	**22,895**	**25,396**
Free cash flow before financing activities	**13,072**	**13,638**	**8,578**
Adjustments to free cash flow			
- Exceptional costs paid	-	-	1,044
Adjusted free cash flow	**13,072**	**13,638**	**9,622**
Adjusted free cash conversion %[2]	**133%**	**131%**	**108%**

- Capitalisation of intangible assets vary depending on technology projects meeting the criteria of IAS 38.
- **108%** Adjusted free cash conversion for H1 2019 (H1 2018: **131%**).
- Adjusting for **€4.4m** of deferred revenue (H1 2018: **€4.2m**) in relation to free cancellation bookings and the impact of the timing of a debtor related to a group reorganisation (**€1.2m**) (H1 2018: **€nil**), adjusted free cash conversion would have been **81%** (H1 2018: **93%**).

[1] The Group has adopted IFRS 16 Leases from 1 January 2019, as disclosed in note 2 to the condensed consolidated financial statements. The Group has applied the modified retrospective approach, and as a result it has not restated prior periods on adoption in its financial statements. For comparative purposes H1 2018 has been restated in this presentation to reflect the impact of adopting IFRS 16, in order to give a true and fair comparative of underlying performance.
[2] Adjusted free cash conversion 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

BALANCE SHEET

€'000	30 Jun 2018	31 Dec 2018	30 Jun 2019
Intangible assets	123,117	117,726	112,323
Other non-current assets	3,356	3,256	2,776
Right of use assets	-	-	3,809
Deferred tax asset	278	99	7,024
Trade and other receivables	4,365	2,814	5,307
Cash and cash equivalents	22,895	25,974	25,396
Total assets	**154,011**	**149,869**	**156,635**
Total equity	**137,949**	**136,252**	**133,819**
Lease Liability	-	-	4,831
Deferred tax liabilities	359	262	227
Deferred free cancellation revenue	4,236	2,891	7,339
Creditors, accruals and other liabilities	11,467	10,464	10,419
Total equity and liabilities	**154,011**	**149,869**	**156,635**

Strong Group balance sheet:

- Negative working capital of **€12.5m** (31 Dec 2018: **€10.5m**).
- Cash balances of **€25.4m** (31 Dec 2018**: €26.0m).**
- Net decrease in intangible assets driven by amortisation.

Source: Management information

H1 2019 DEFERRED REVENUE

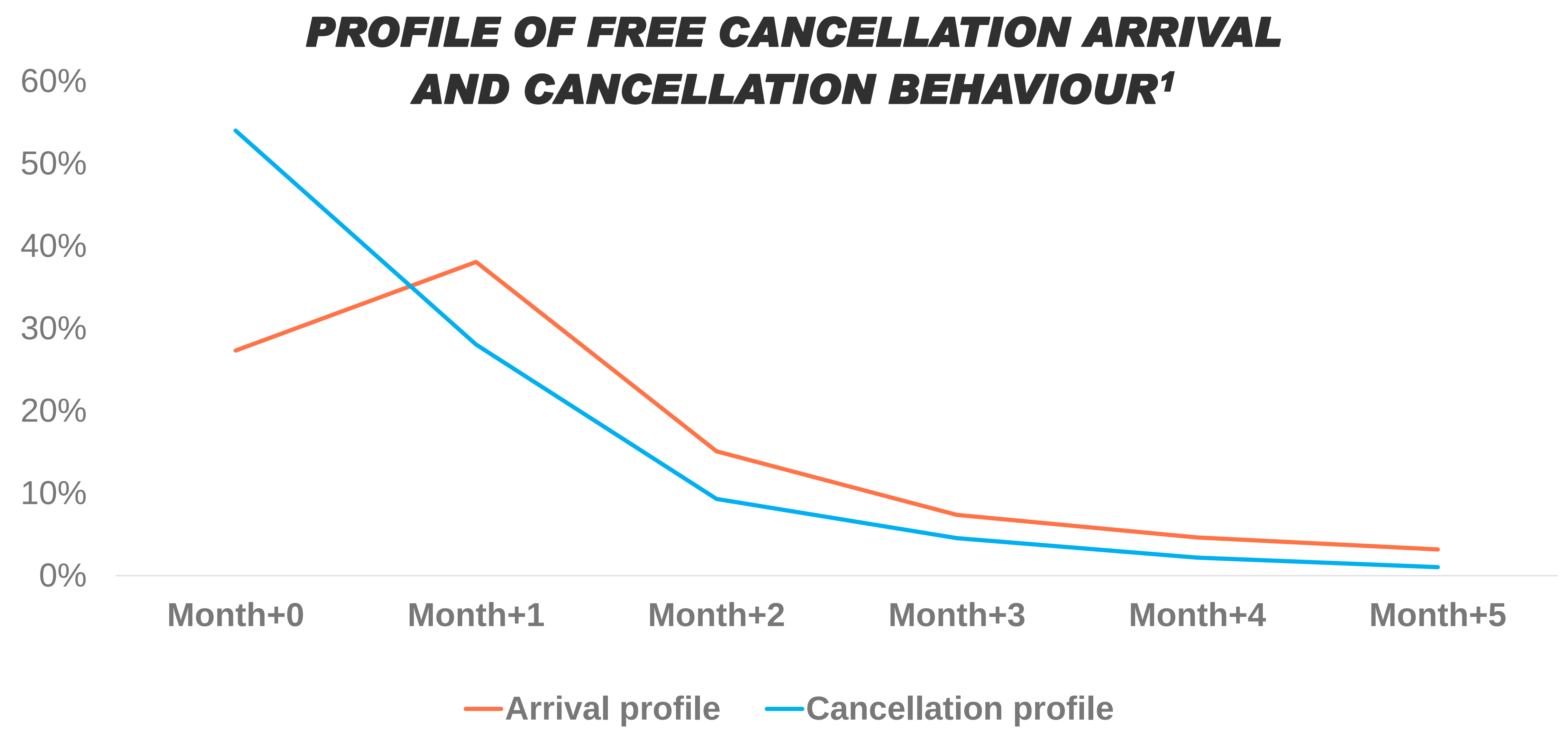
First full year of free cancellation product

Free cancellation	**Dec 17**	**June 18**	**Dec 18**	**June 19**
Deferred revenue on Balance Sheet	€Nil	€4.2m	€2.9m	€7.3m

1 2 3

Income Statement Impact **1.** H1 2018 (€4.2m) **2.** FY 2018 (€2.9m) **3.** H1 2019 (€4.4m)

- At 30 June 2019, **€7.3m** (30 June 2018: **€4.2m**) of revenue from free cancellation bookings has been deferred and will be recognised, net of cancellations, at the point at which the traveller no longer has the right to cancel. All direct costs associated with deferred bookings have been recognised.
- As with cancellations we expected a significantly higher deferred revenue balance in H1 2019 giving the timing of the full free cancellation product rollout in July 2018.



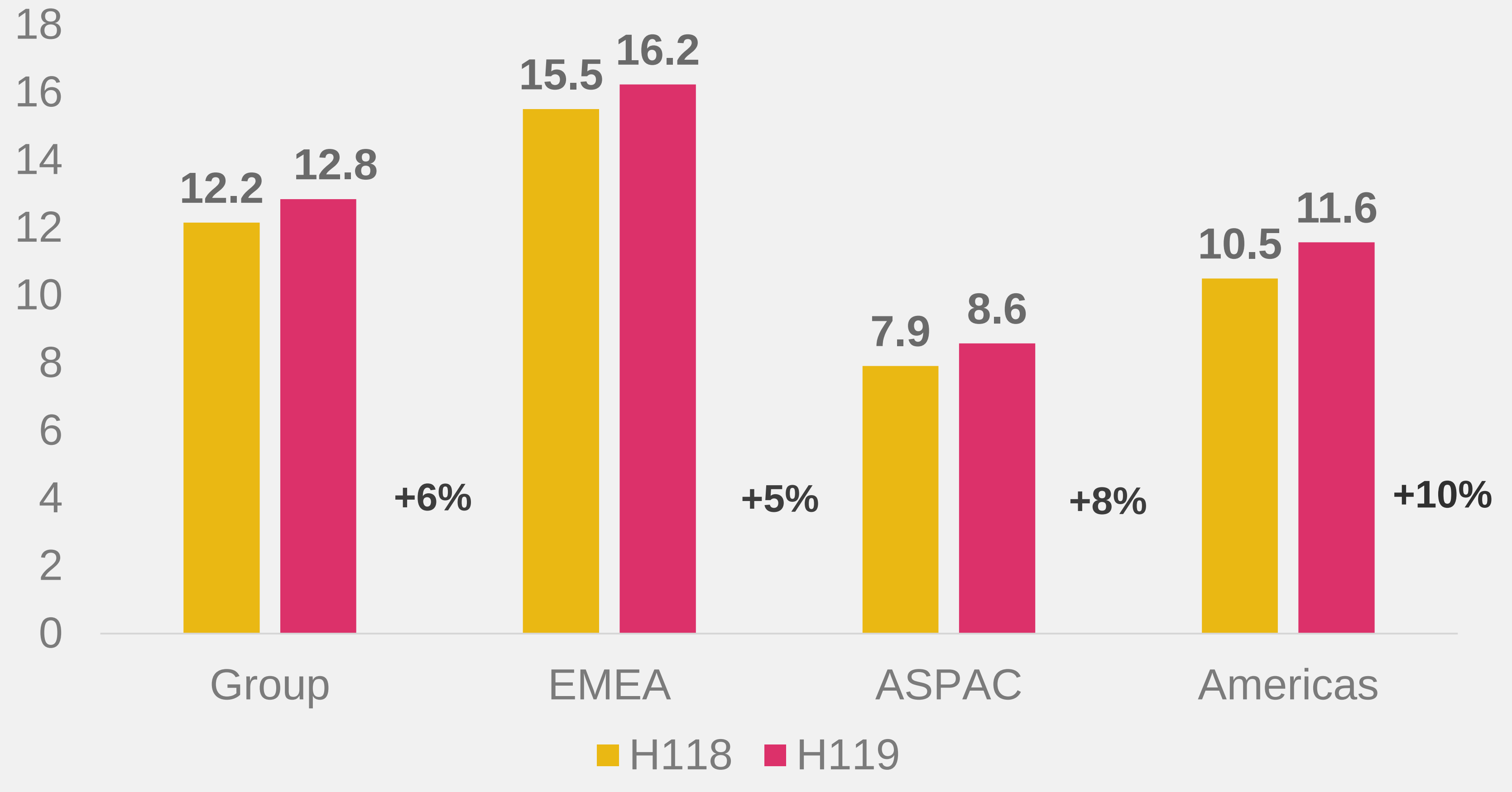
Free cancellation behaviour:

- 86% of travellers using free cancellation booking options arrive within three months of booking.
- 54% of travellers who are going to cancel, do so in the month they book, with a further 28% cancelling the month after they book.

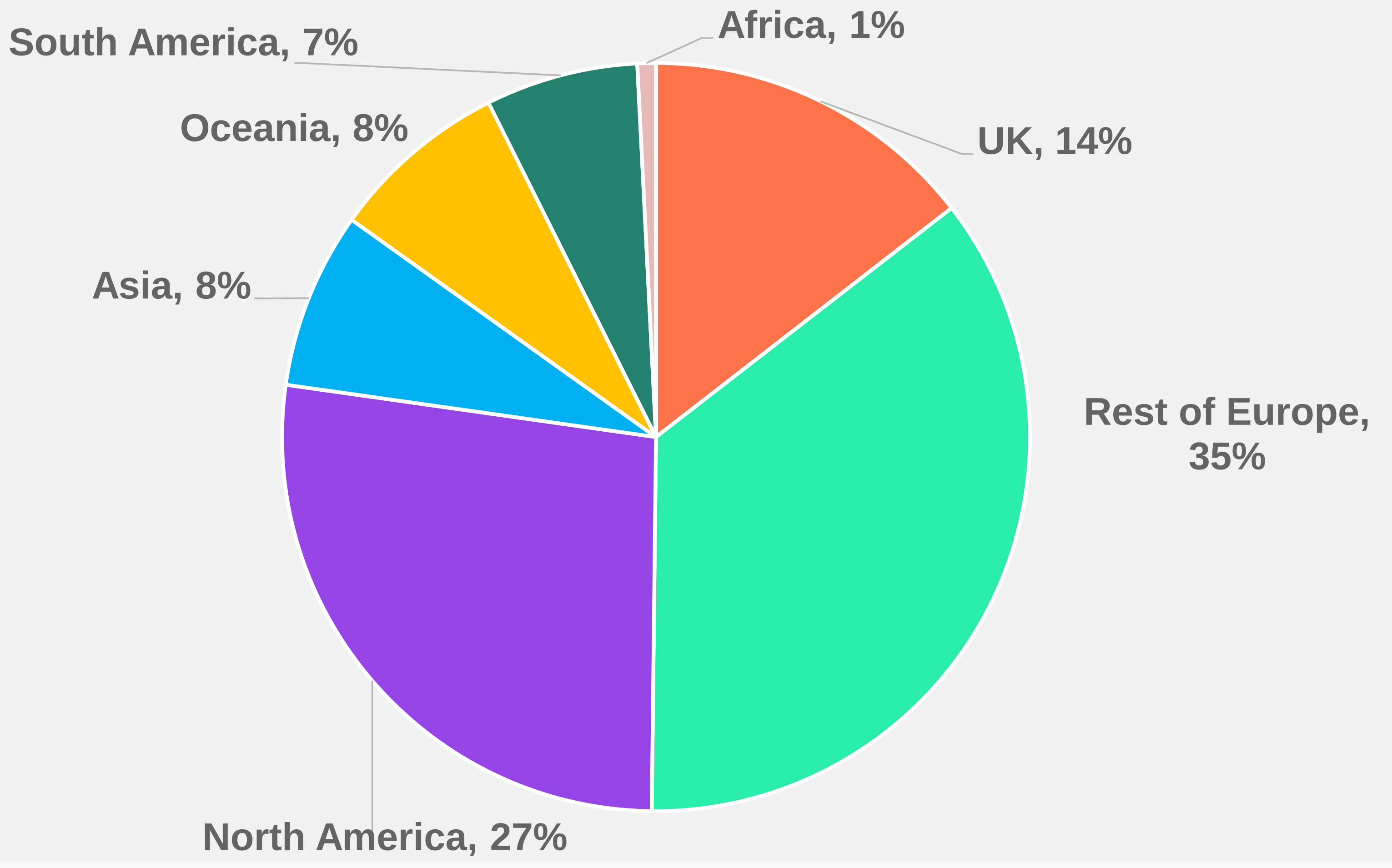
[1] Note: Based on % of Free Cancellation revenue arrival dates and % of Cancellations (for July 2018 to March 2019 cohort)

H1 2019 DESTINATION MIX

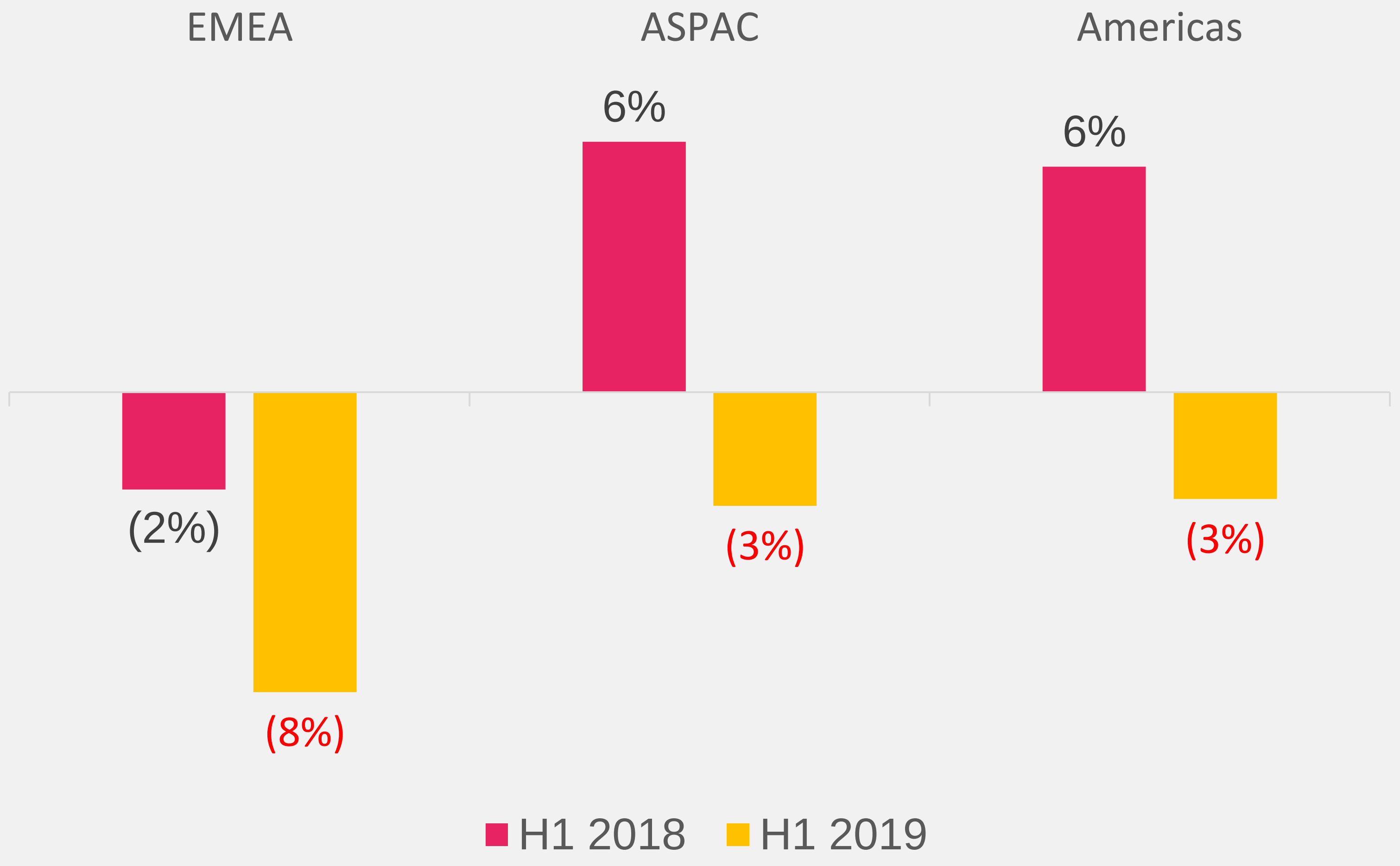
ABV DESTINATION MIX (€)[1]



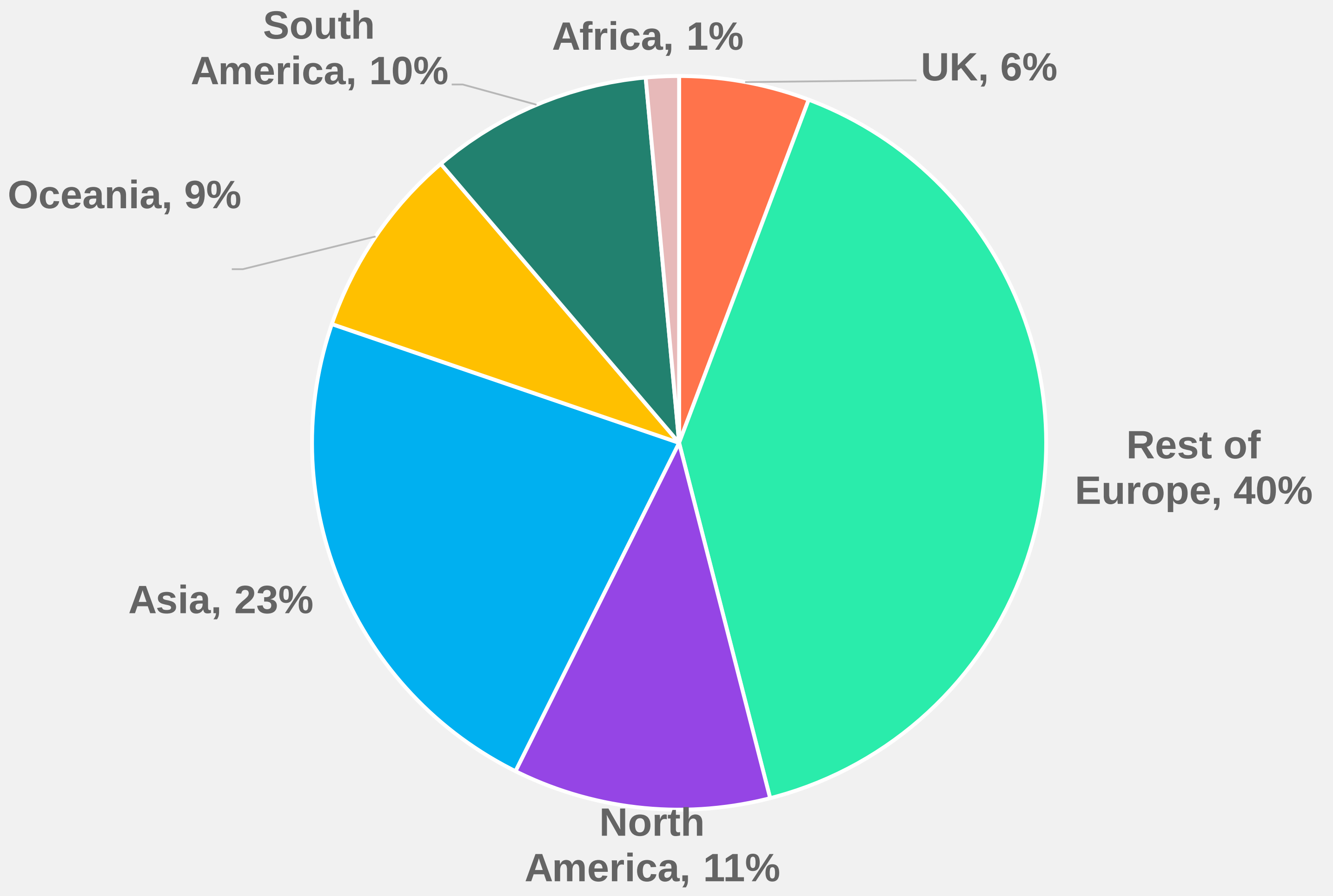
BOOKINGS BY NATIONALITY: H1 2019[2]



DESTINATION MIX: YOY GROWTH[2]



BOOKINGS BY DESTINATION: H1 2019[2]



[1] Note: ABV based on Group gross revenues/gross bookings
[2] Bookings and Destination mix based on Group gross bookings

HOSTELWORLD

MEET THE WORLD