



Capital Markets Day

November 2022



HOSTELWORLD
MEET THE WORLD

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Agenda

01

Overview
2.00–2.15pm

02

Opportunity
2.15–2.30pm

03

Growth
2.30–3.00pm

04

Outlook
3.00–3.20pm

05

Summary
3.20–3.30pm

06

Q&A
3.30–4.00pm



Overview



HWG by the numbers

€470M

2022E
Net GMV¹

€70M

2022E
Net Revenue²

4.8M

2022E
Net Bookings

1.9M

2022E
Unique Customers

7.8M

2022E
Total Travellers (PAX)

17M

2022E
Net Bednights

170

Countries
with Properties

14.1M

Property reviews

250

Employees in
11 countries



1. Net GMV is gross transaction value less cancellations.
2. Net Revenue is gross revenue less cancellations, deferred revenue, rebates and accounting adjustments

The hostelling category is unique in the travel landscape

Demand

60% solo travellers
80% 18–35 years old

Multi Destination Trips,
with new customers making
~1.7 bookings in the first 28 days

Many customers making
multiple trips/year,
across many years

Use Hosteling as a means
to meet other people



Supply

Dorm and private rooms
with large communal areas

66% have 50 or less beds
80% are independent owner
operated businesses

Most sustainable option:
25% tCO₂e of Hotels
per bednight

Lowest cost/night:
~ 25% of 2 star hotels

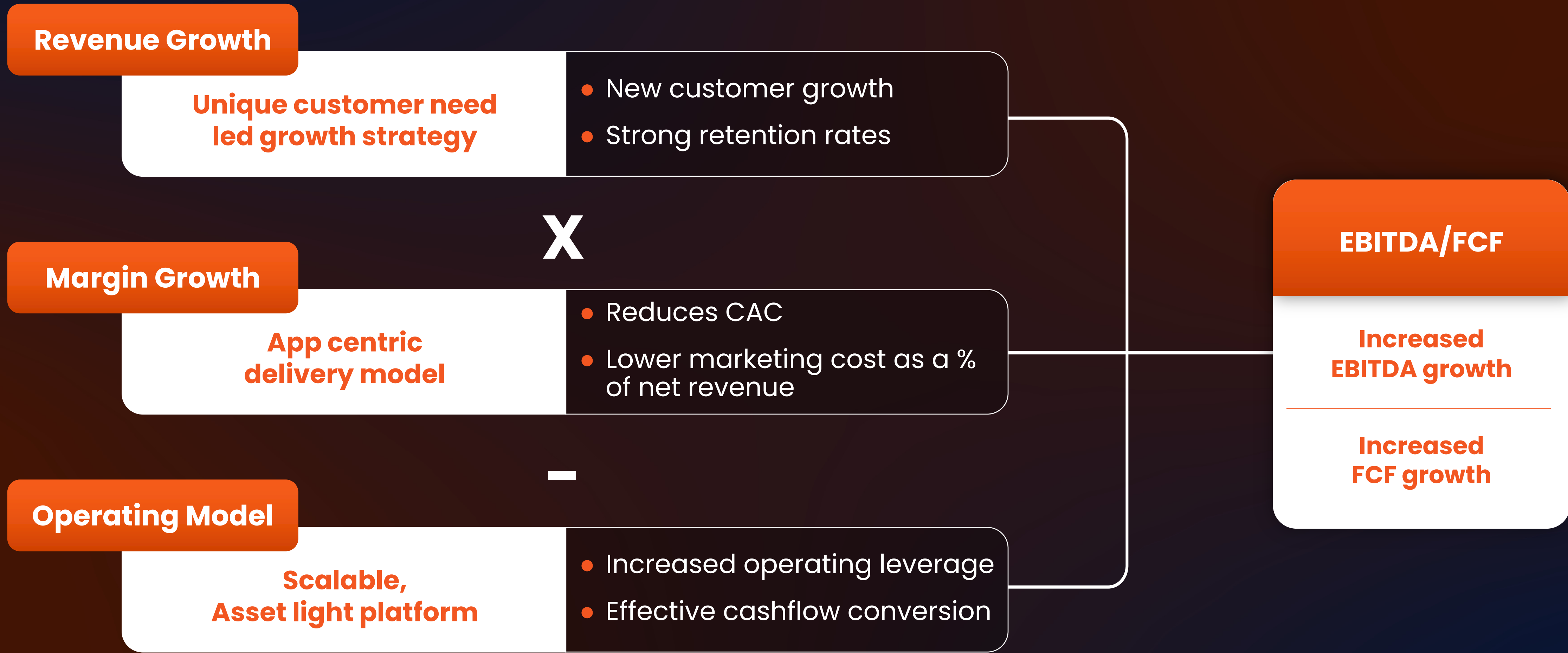
An aerial photograph of a sailboat's deck and rigging. Several people are in the process of jumping or have just jumped from the side of the boat into the deep blue ocean. The water is choppy with small waves. The boat's deck is light-colored, and various pieces of equipment like ropes and a blue bag are visible. The overall scene conveys a sense of adventure and social activity.

Our Mission

Help travellers find people to hangout with

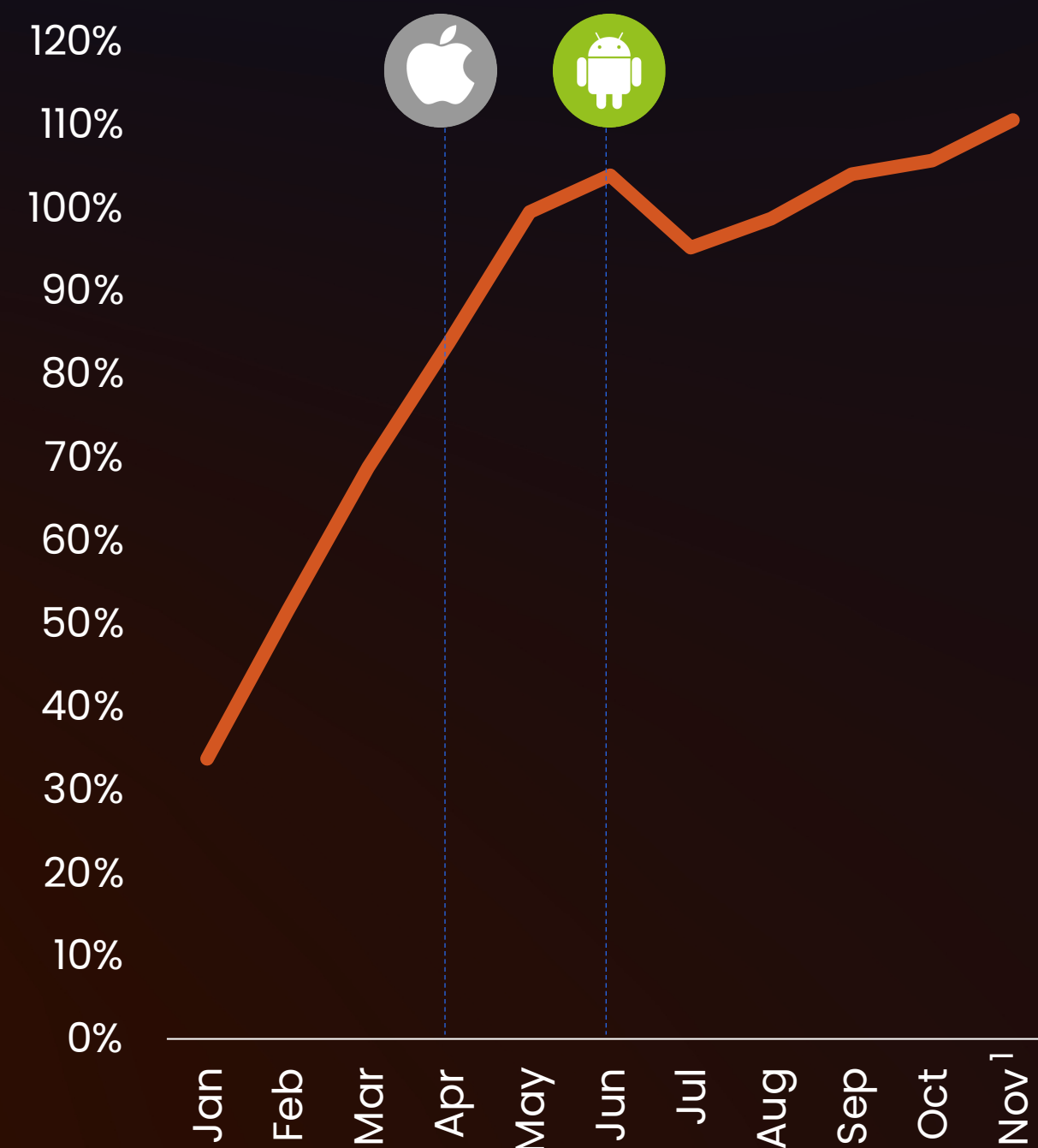


Our pioneering social network is the cornerstone of our strategy

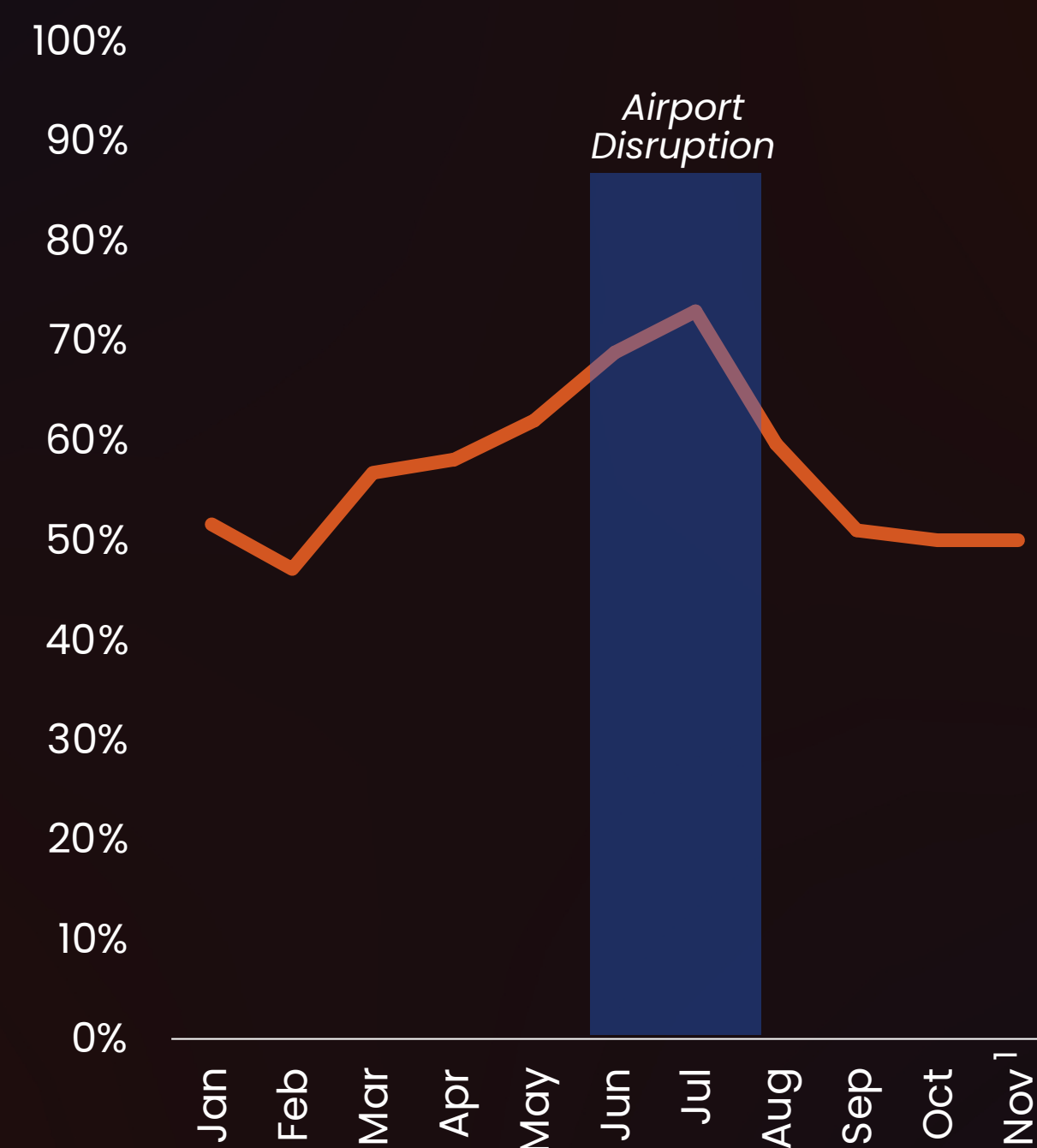


Key operational metrics trends already validating our approach

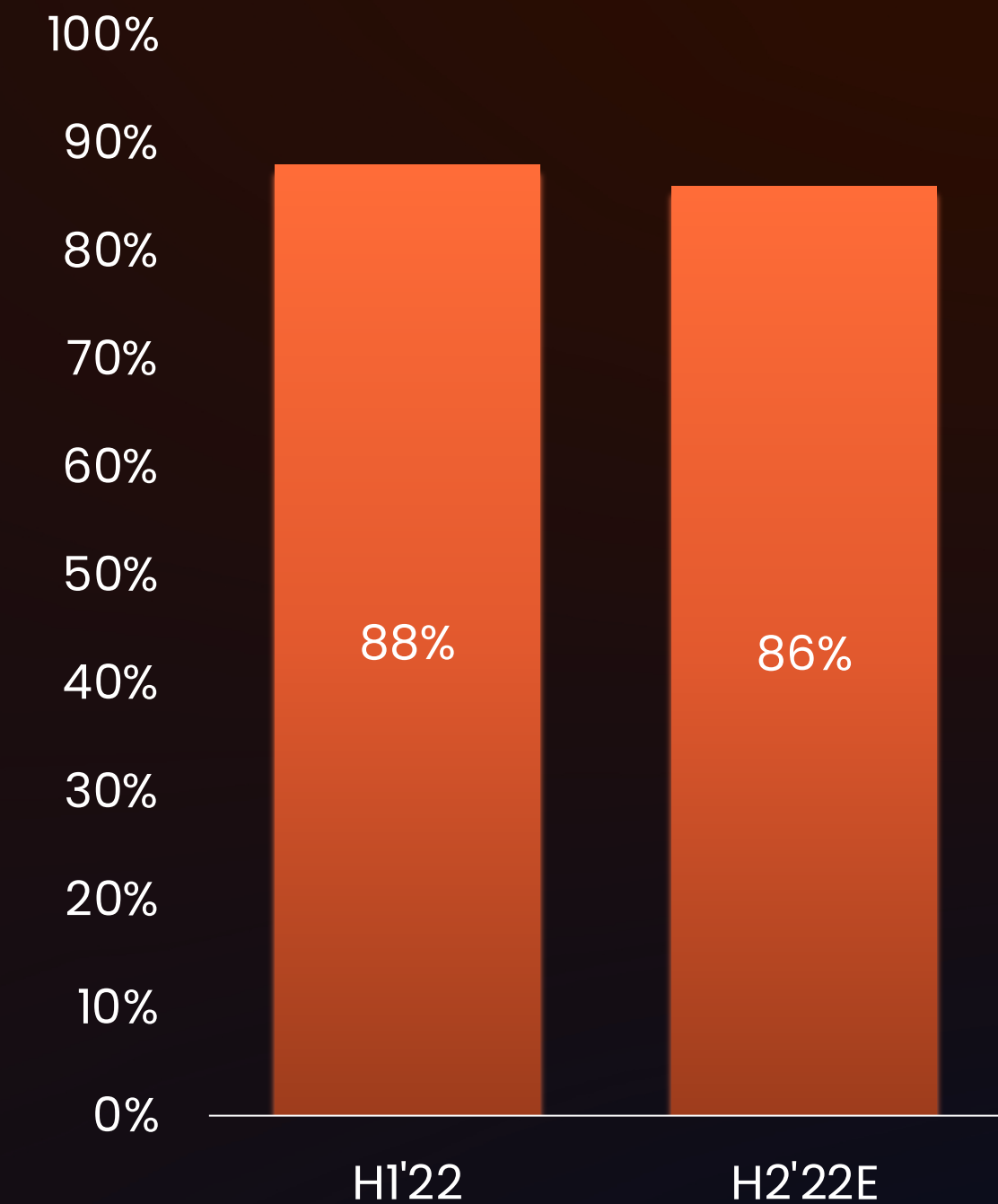
2022 monthly Generated Revenue² as a % of 2019



Marketing costs as a % of Generated Revenue²



OPEX³ as a percentage of 2019

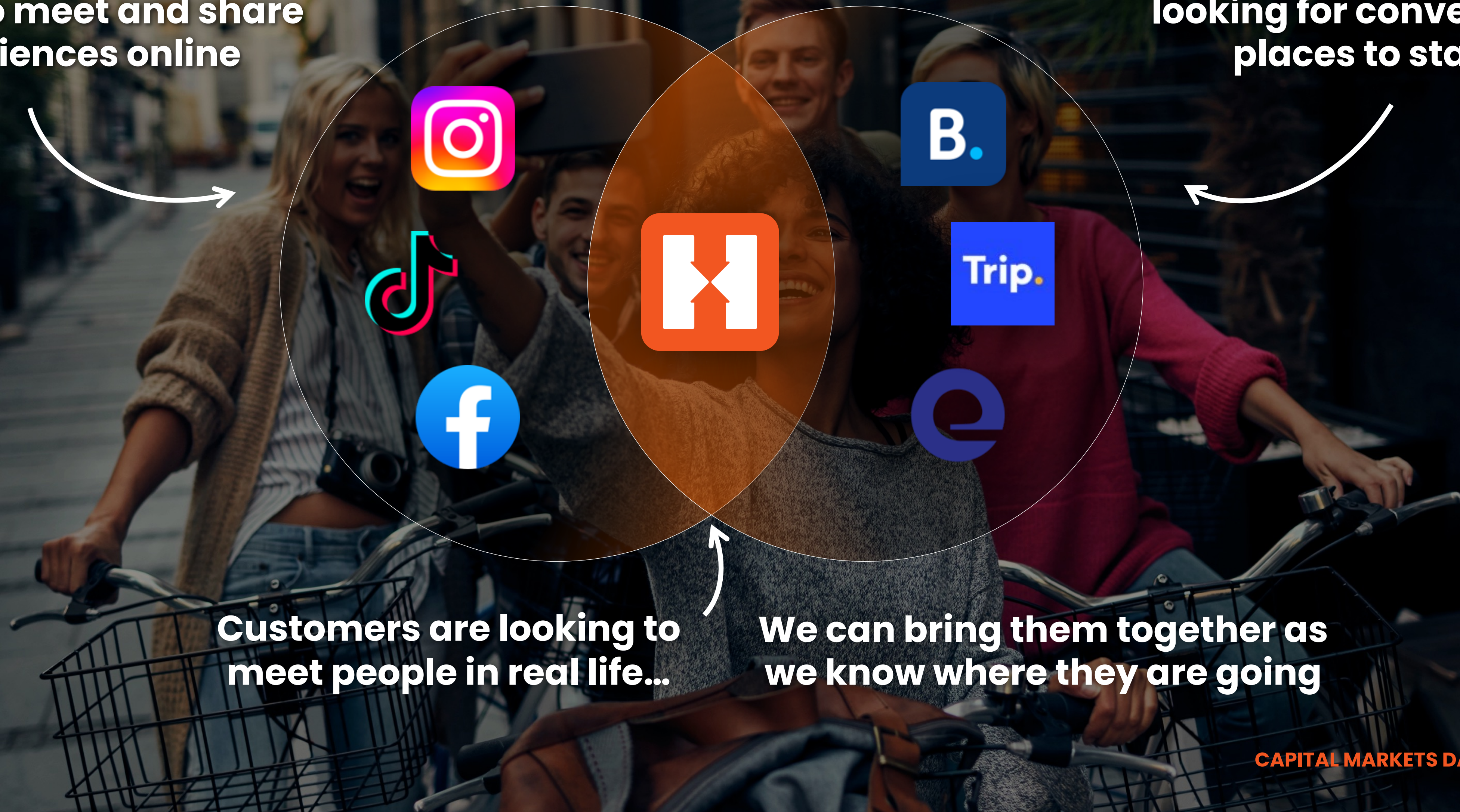


1. November data based on Management forecasts.
2. Generated revenue is gross revenue less cancellations.
3. OPEX are operating costs, excluding paid marketing and below EBITDA cost line items. Rent & rates have been excluded from the above to allow for a 'like for like' comparison.

Positioned to win in our category

Customers are looking to meet and share experiences online

Customers are looking for convenient places to stay



Customers are looking to meet people in real life...

We can bring them together as we know where they are going



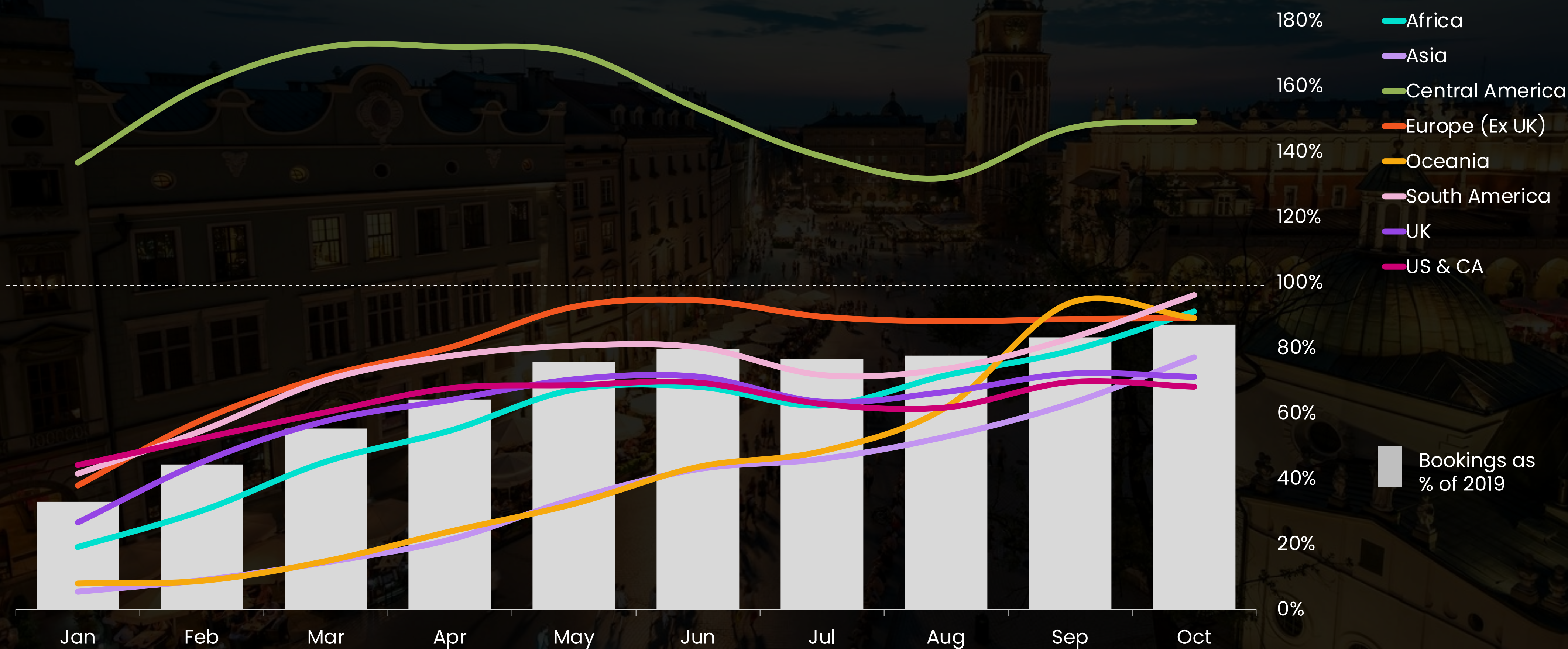


Opportunity



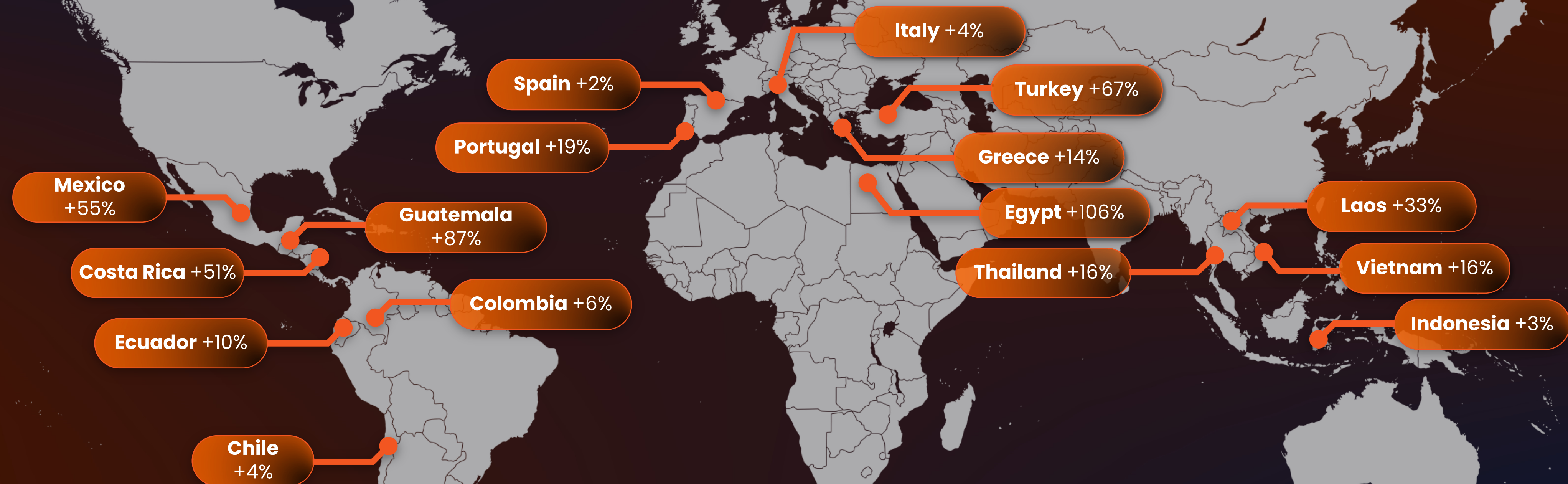
Booking volumes recovering across key geographies

Monthly net bookings by destination (as a % of 2019)



Many countries already surpassing 2019 levels

MTD¹ November Net
Bookings 2022 vs. 2019



1. MTD is month-to-date bookings data as of 20th November, 2022.

Strong customer growth expected over the coming years

Millennial / Gen Z
will drive global
travel growth

4.9bn

Millennial and Gen Z people
– largest population cohorts
in the world (53% of total)¹

35

days a year spent travelling
by US millennials²



@wildroverhostels

Strong appetite for Solo Travel
among Millennial / Gen Z cohort

+7%

Searches for "Solo Travel"
2022 vs 2019³

1 in 4

U.S Millennial and Gen Z
planning to travel solo in
next 6 months⁴



@tilly_heal



1. World Economic Forum and Bloomberg analysis of UN World Population Prospects, August 2018
2. Expedia Media Solutions, Skift – 'U.S. Millennials Travel Most but Gen Z is on the Rise', October 2017
3. Google Trends
4. MMGY Travel Intelligence – 'Evolving Mindset of Today's Traveler', March 2022

Category perfectly aligned to GenZ/Millennial travel needs

Experiential Travel demand growing

8 in 10

Millennial and Gen Z travellers want a unique experience in next trip¹

+34%

Increased spending on experiential travel in 2022 vs. 2019²



@ashleyiswell

35M

digital nomads worldwide³

Hostels are the most sustainable travel option

25%

Hostel vs. hotel emissions tCO₂e on a bed per bed basis⁴

60%+

Gen Z and Millennials say they are likely to consider sustainable travel options⁵



@lospatioshostel

1. Contiki – ‘Voice of a Generation’ survey, February 2022
2. Mastercard Economic Institute – ‘Travel 2022: Trends and Transitions’, May 2022
3. Two Tickets Anywhere – ‘Digital Nomad Statistics – How big is the nomad movement now?’, November 2022
4. Bureau Veritas – ‘Understanding the Carbon Impact of Hostels vs. Hotels’, 2022
5. Expedia Group – ‘Gen Z: The Key to Recovery and Rebuilding’, August 2021

Category well positioned to continue to attract investment

The category is an attractive asset class

<7%

Sector continues to represent an under-supplied asset class of European accommodation capacity¹

1.4x

Hostel v hotel accommodation investment returns²



@homelisbonhostel

Hostels continuing to invest in technology

+7%

Increase in % of hostels using 3rd party connectivity in 2022 vs. 2019³

+3%

Increase in % of bednight sales distributed via OTAs in 2025 vs. 2019⁴



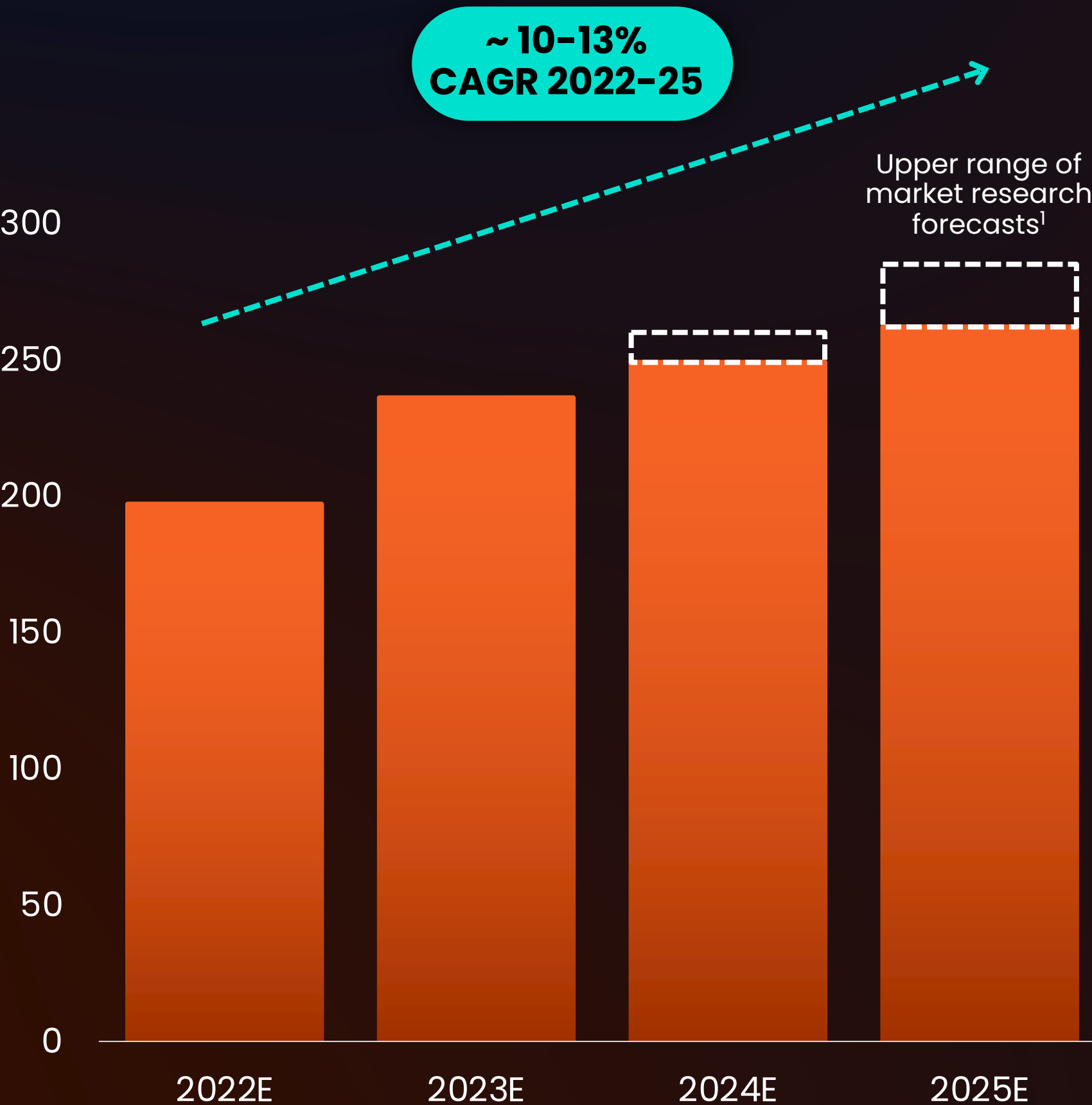
@dgobershostel



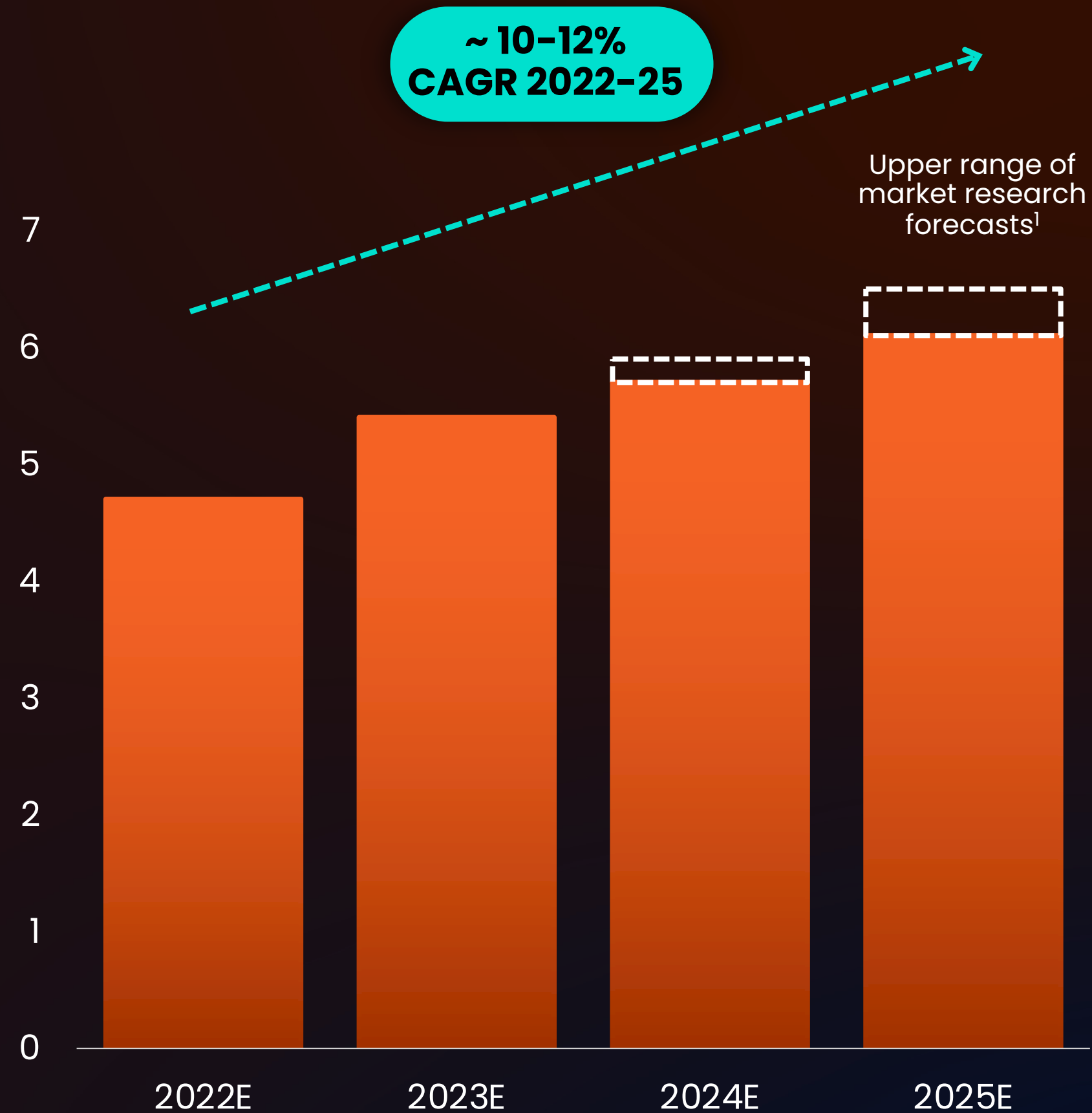
1. CBRE – 'What makes hostels and attractive investment class within the wider hotel sector?', September 2022
2. Christie & Co. Research – 'The Hostel Market, Iberian Peninsula', February 2020
3. Hostelworld internal data
4. Phocuswright – 'The Global Hostel Marketplace 2016 – 2020', March 2018, internal management estimates

Overall: strong category growth expected into 2025

Total stayed bednights (M)



Total market GMV (€Bn)



1. The Global Hostel Marketplace 2016 – 2020 Second Edition – March 2018 – Phocuswright
The Business Research Company – Hostels Global Market Report 2022
Future Market Insights – Hostel Market Outlook (2022-2032)
Research and Markets – Global Hostel Market Forecast up to 2027
Global Hostel Market: Analysis By Booking Channel, By Region Size and Trends with Impact of COVID-19 and Forecast up to 2027
Internal management estimates



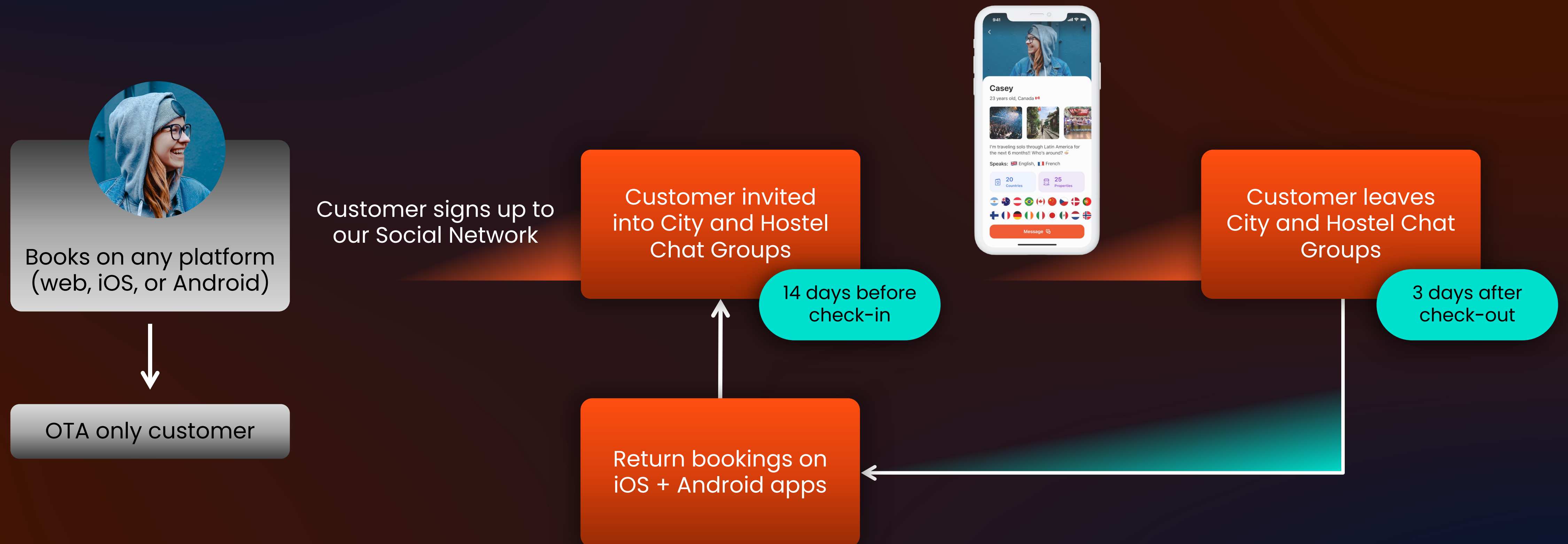


Growth

Me...

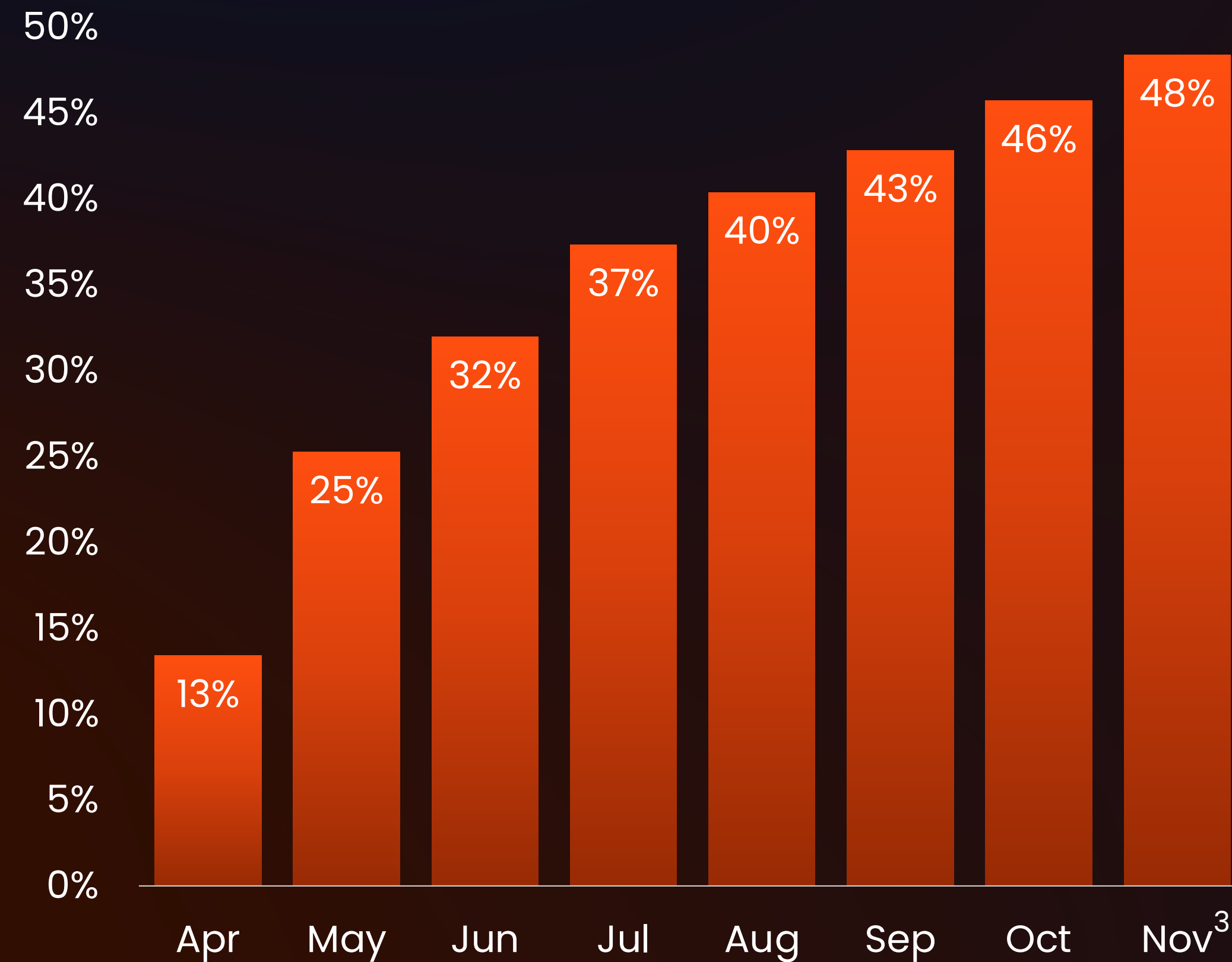


We connect travellers into highly relevant social networks

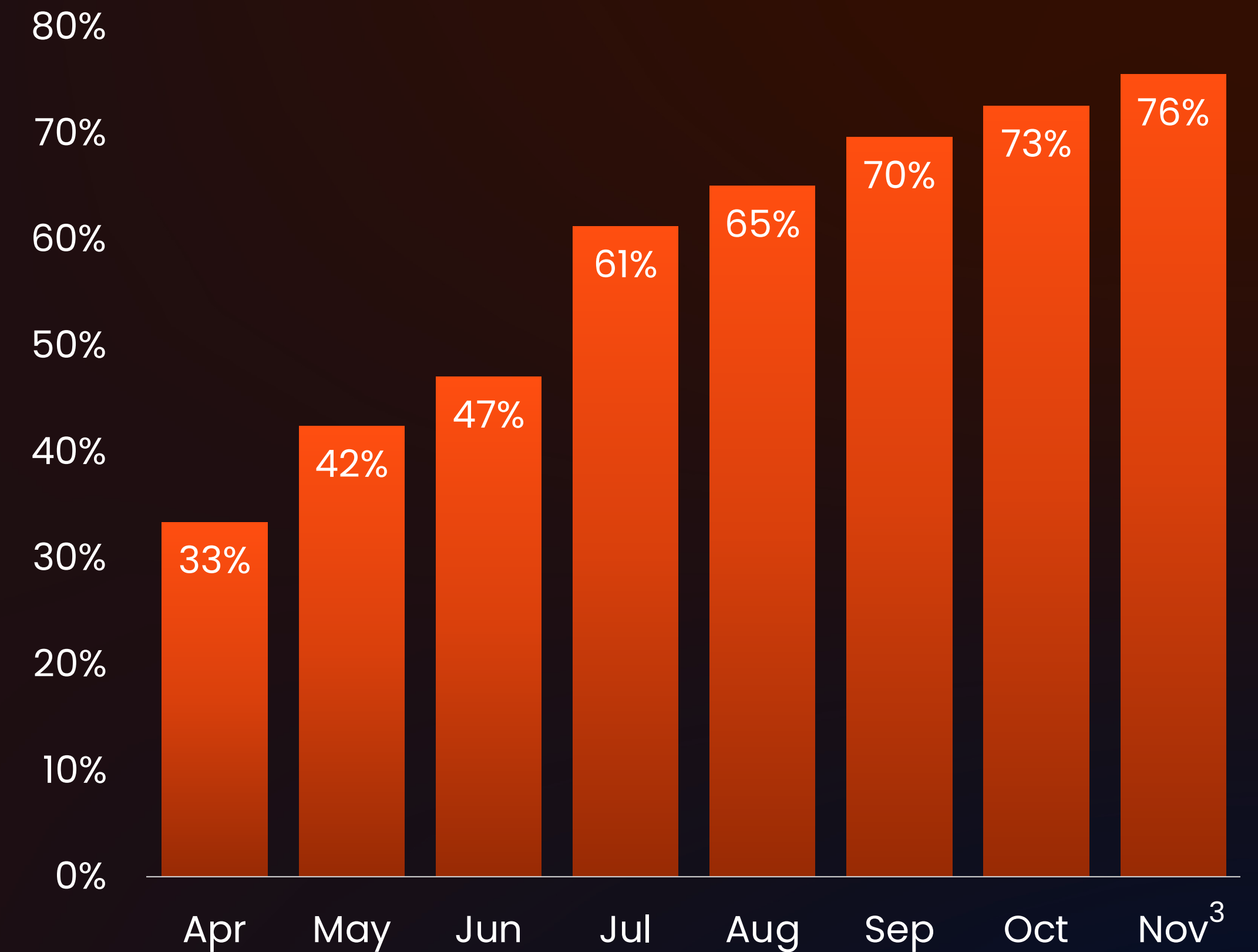


The network is expanding rapidly

Percentage of total bookings made by Social Network Members¹

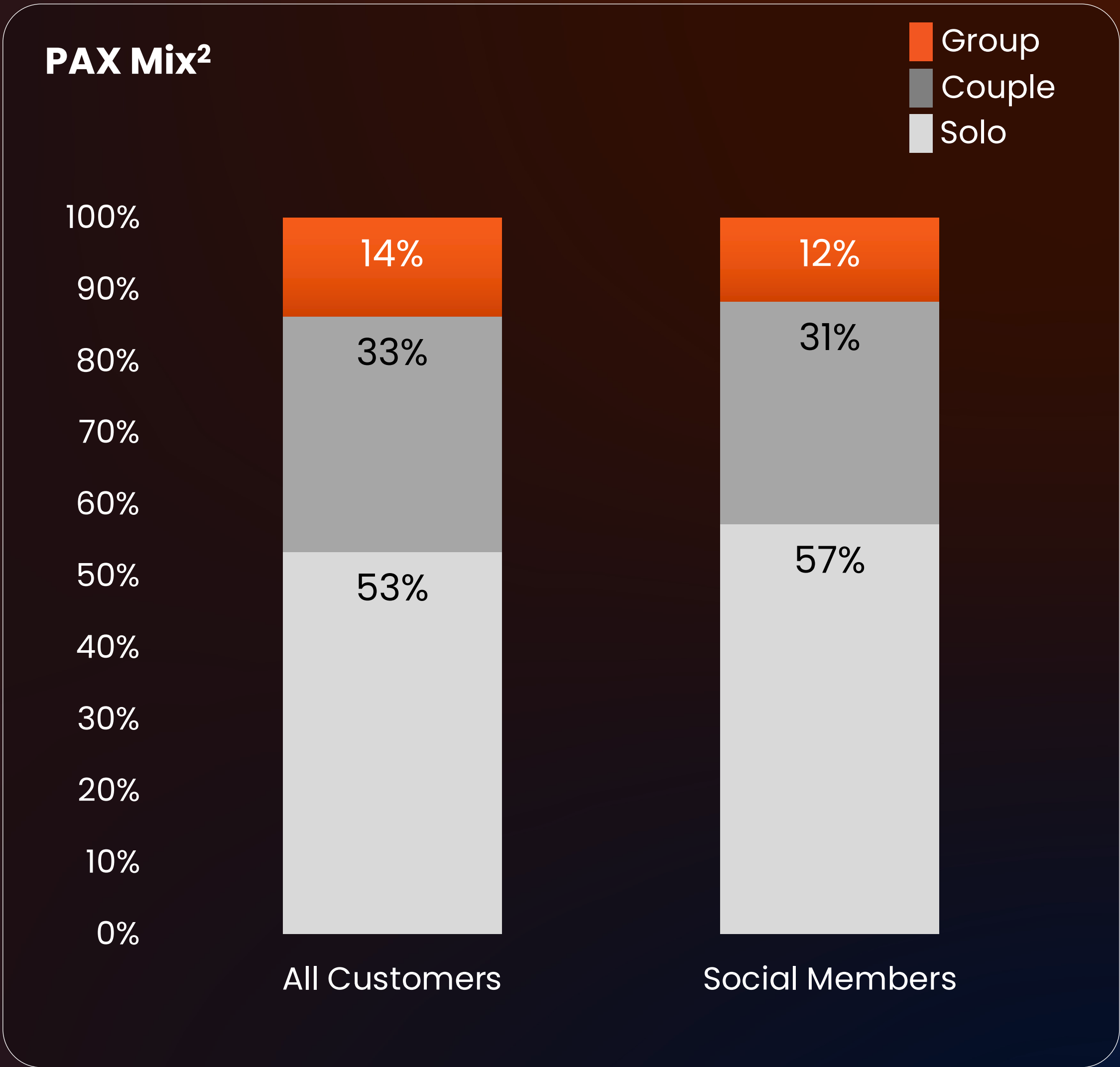
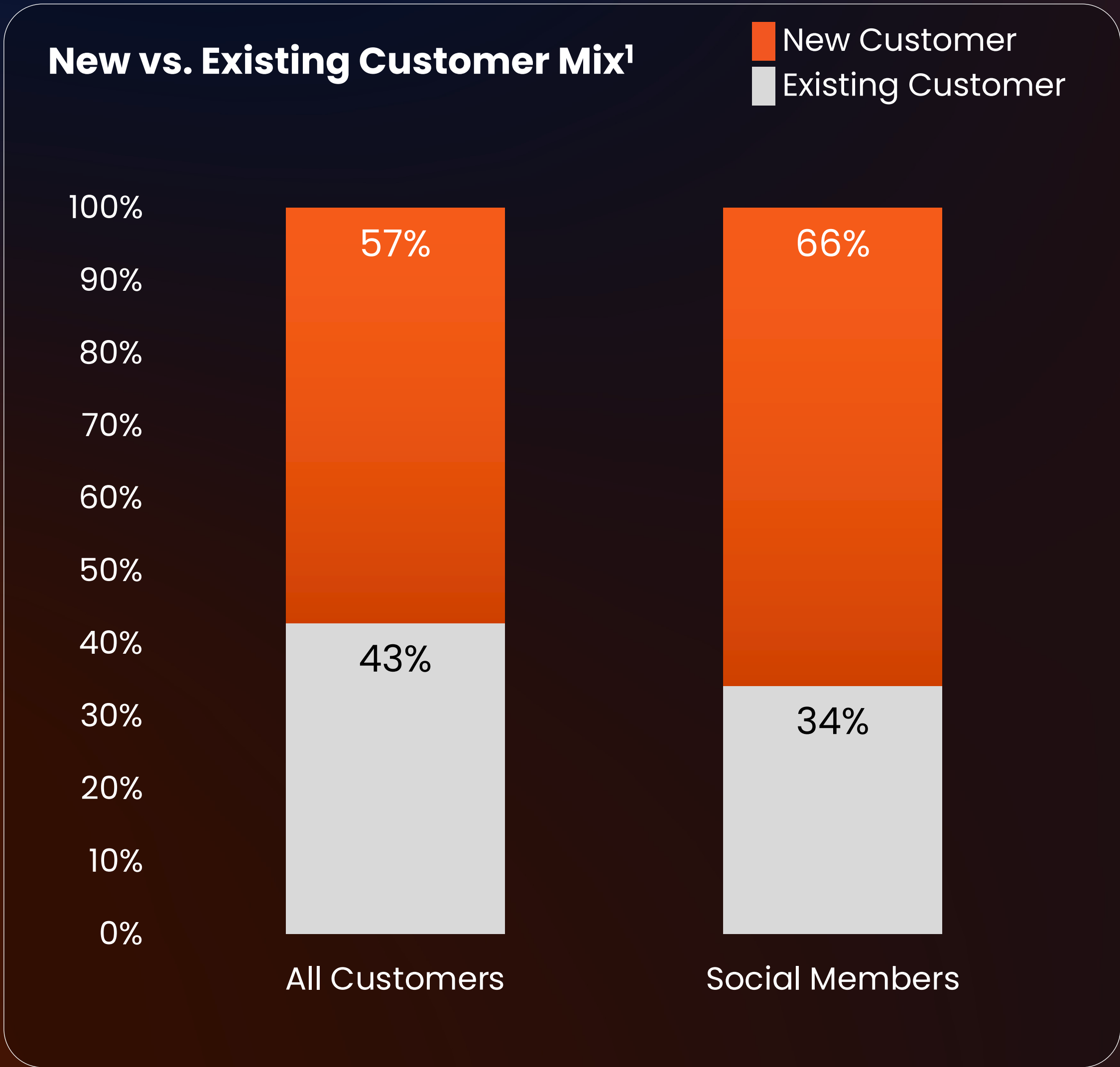


Percentage of Members who use Social features²



1. Customers who opt-in to the Social Network
2. Social Features are defined as a chat view, chat post or profile view action
3. November data based on Management forecasts

Due to its broad appeal to all customer types

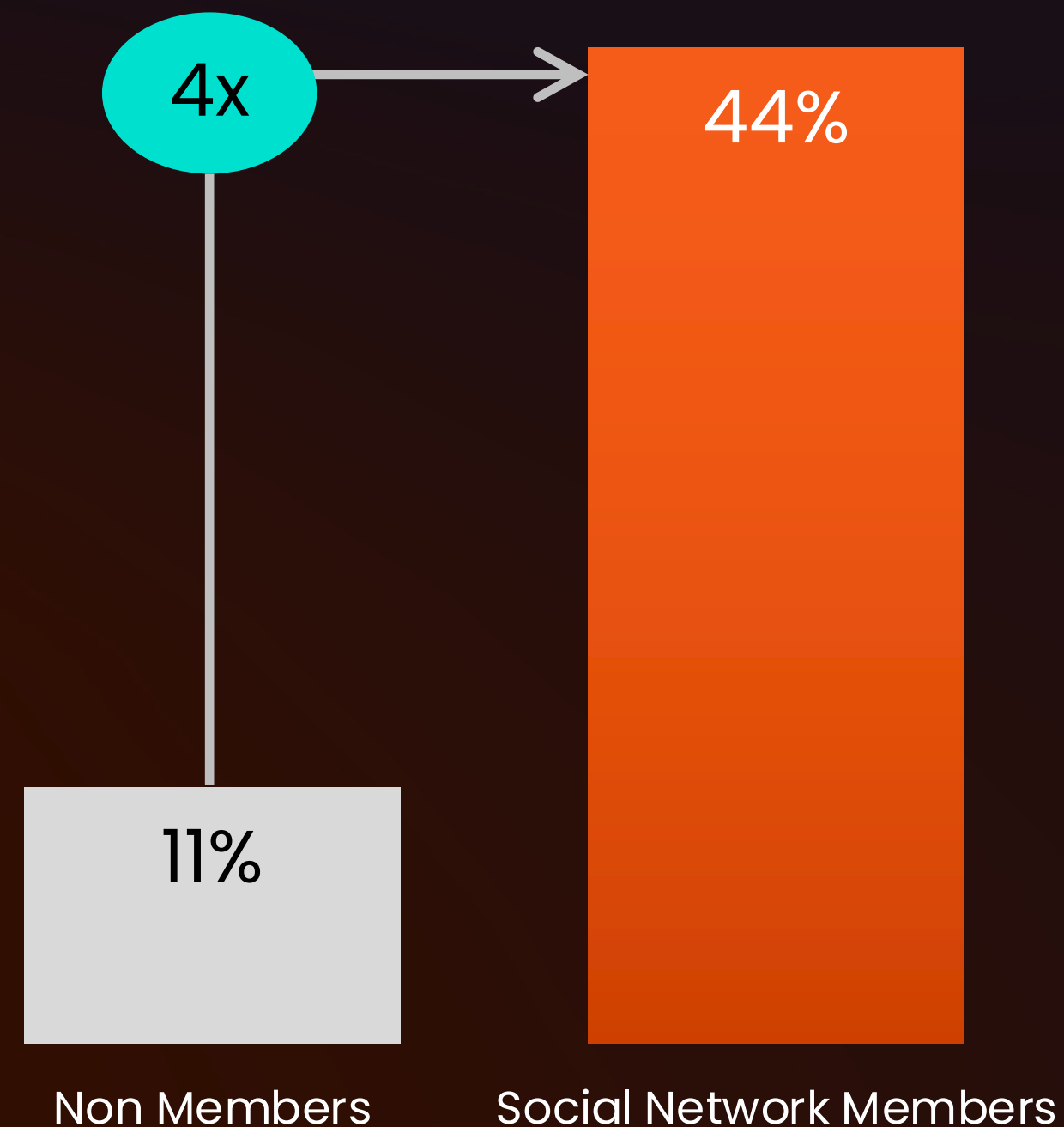


1. Customer cohorts based on data from April 2022 – October 2022
2. Customer cohorts defined based on attributes of acquisition booking from April 2022 – October 2022

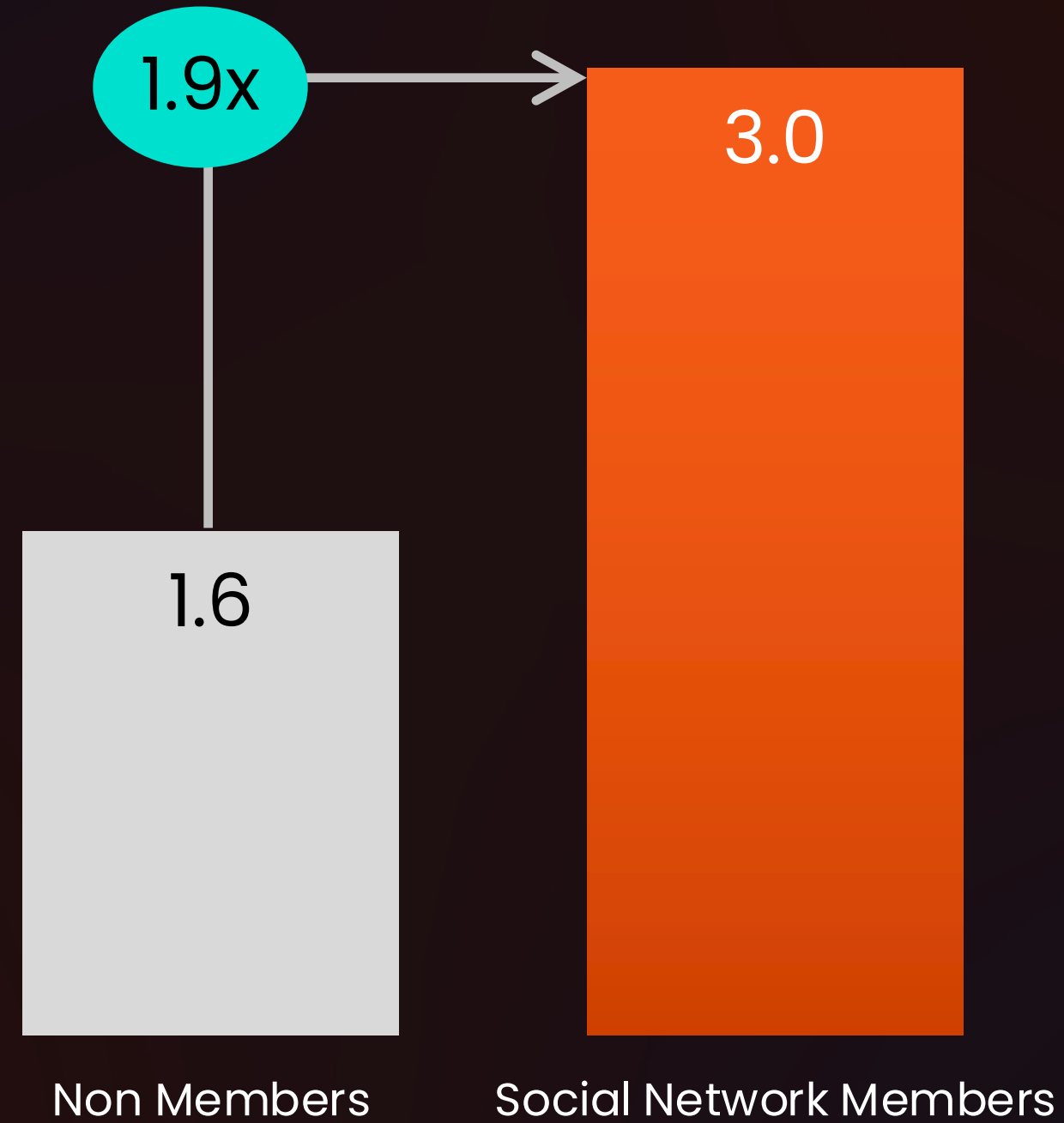
The network attracts and retains high value customers

New Customers acquired
April – Sept 2022

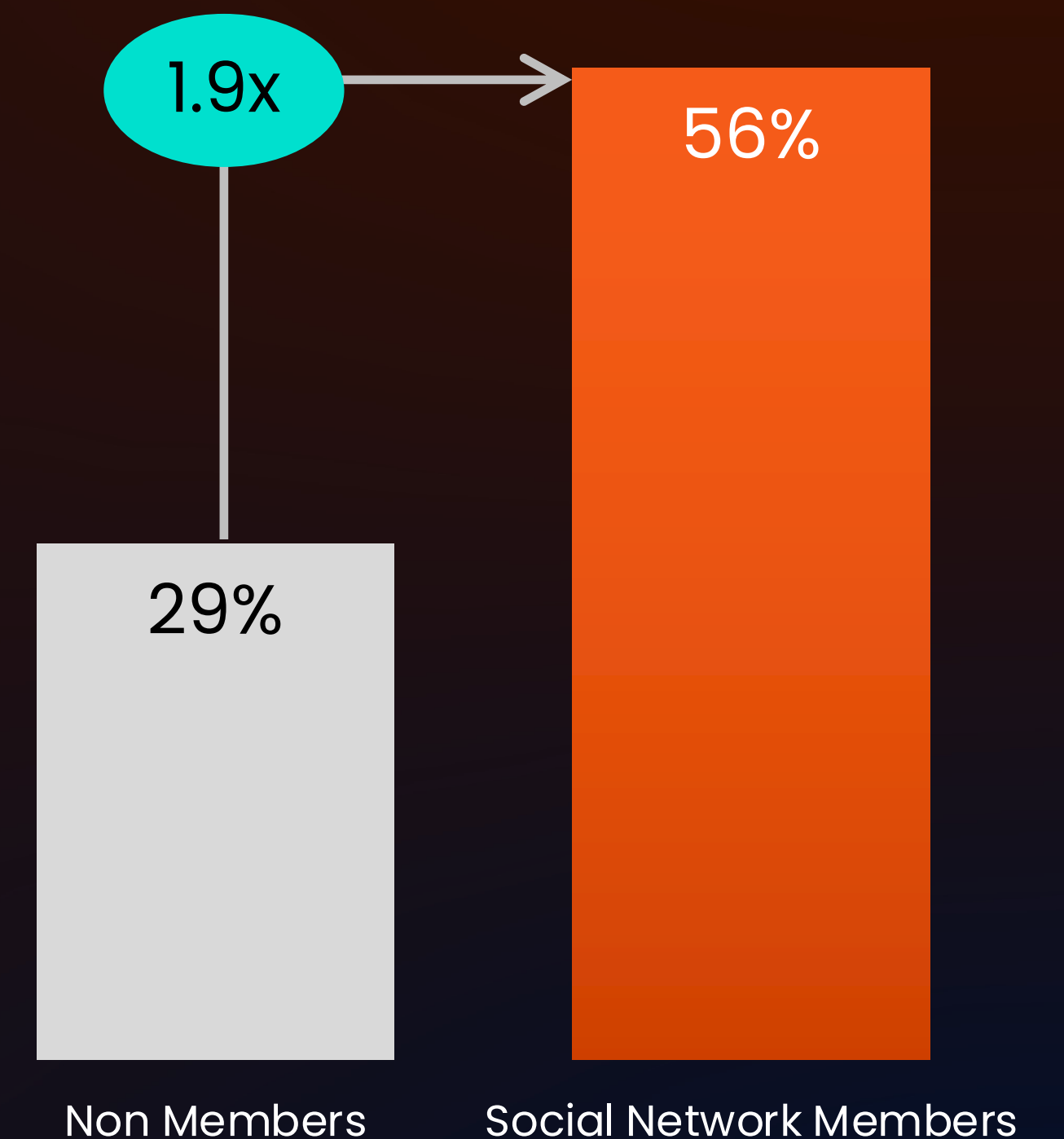
Social Members are 4x more likely to
be recruited via the App...



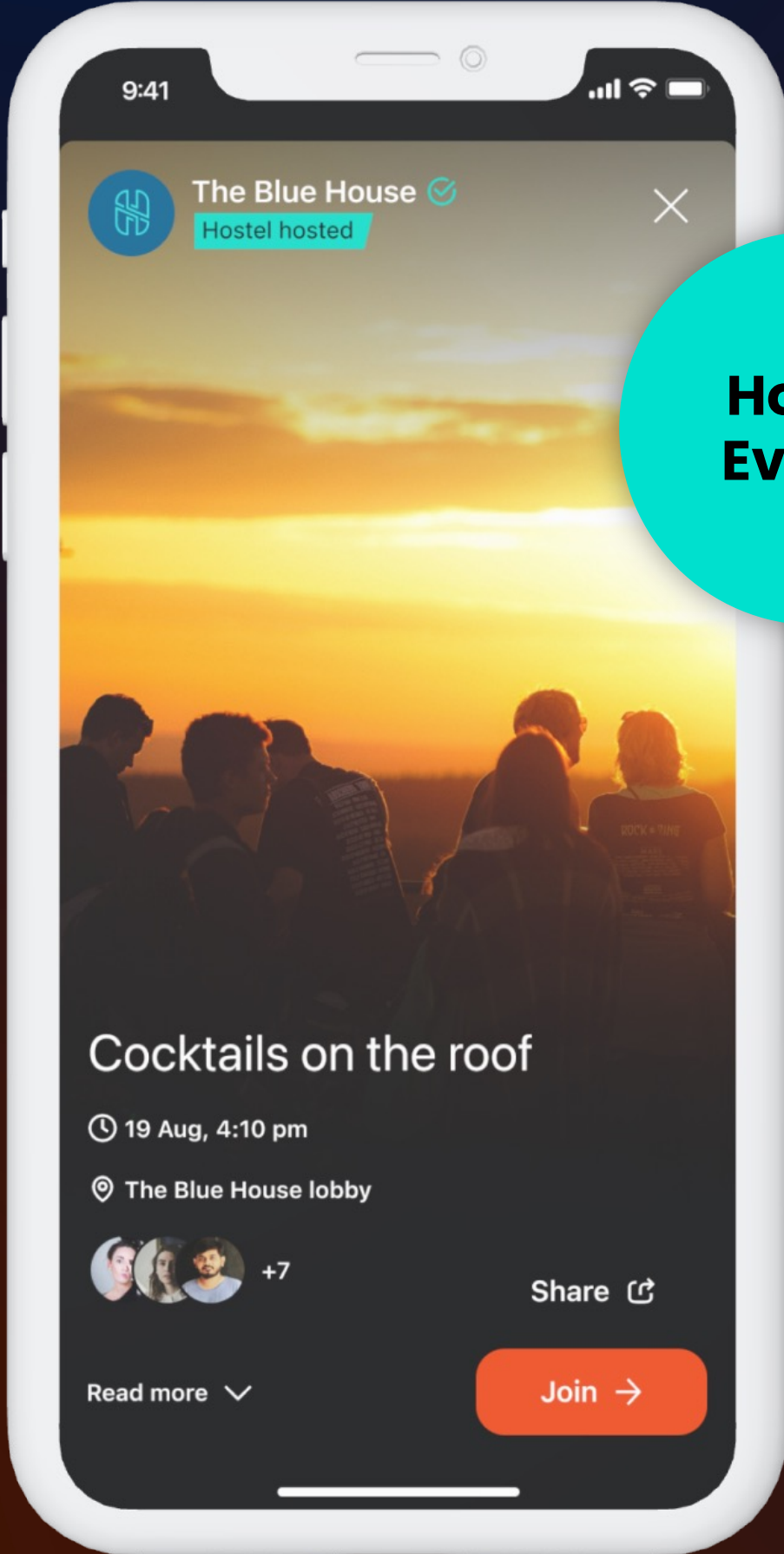
...and make 1.9x the bookings over the
first 6 weeks than non members...



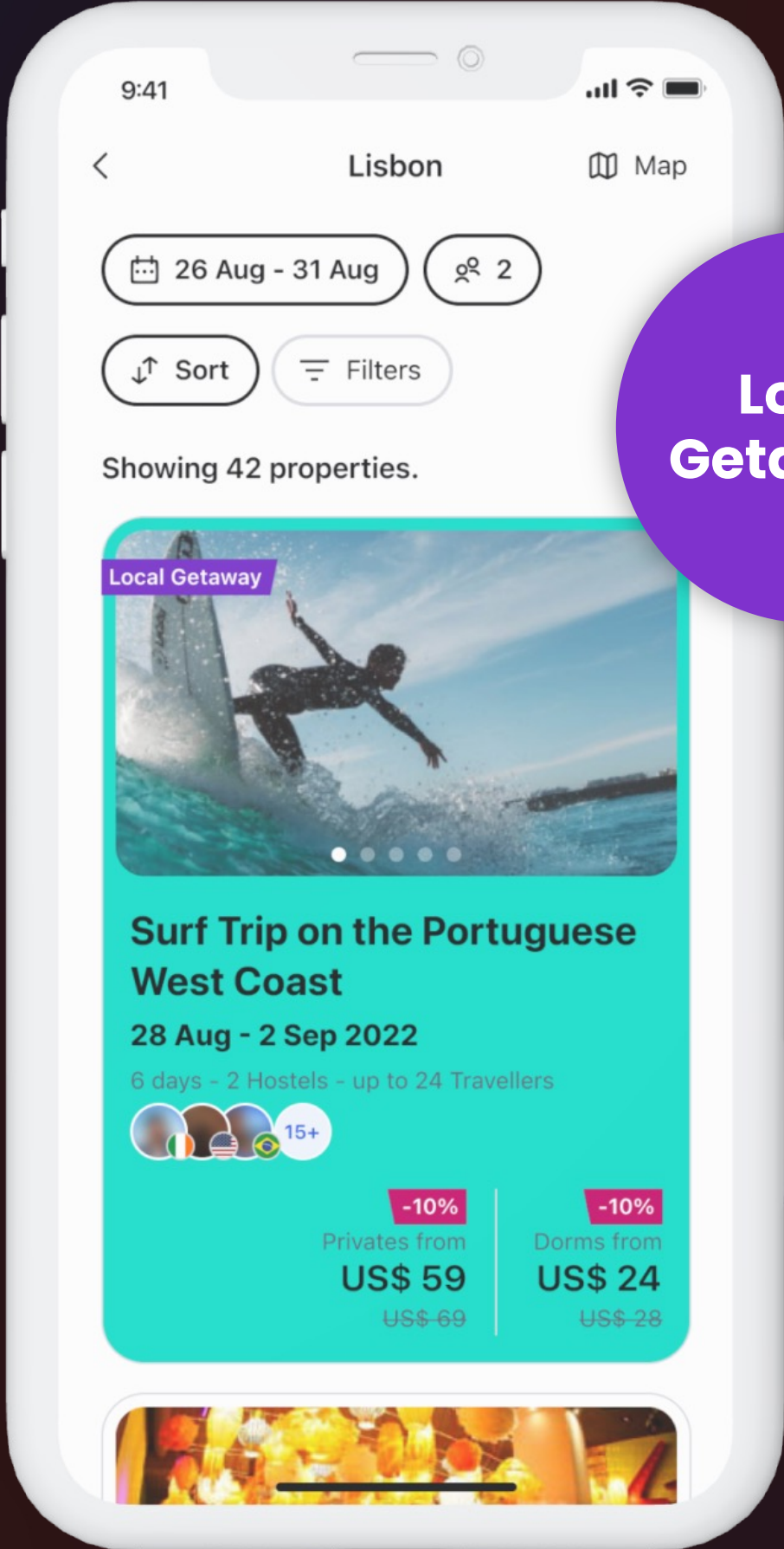
...and almost twice as likely to make
those bookings via App



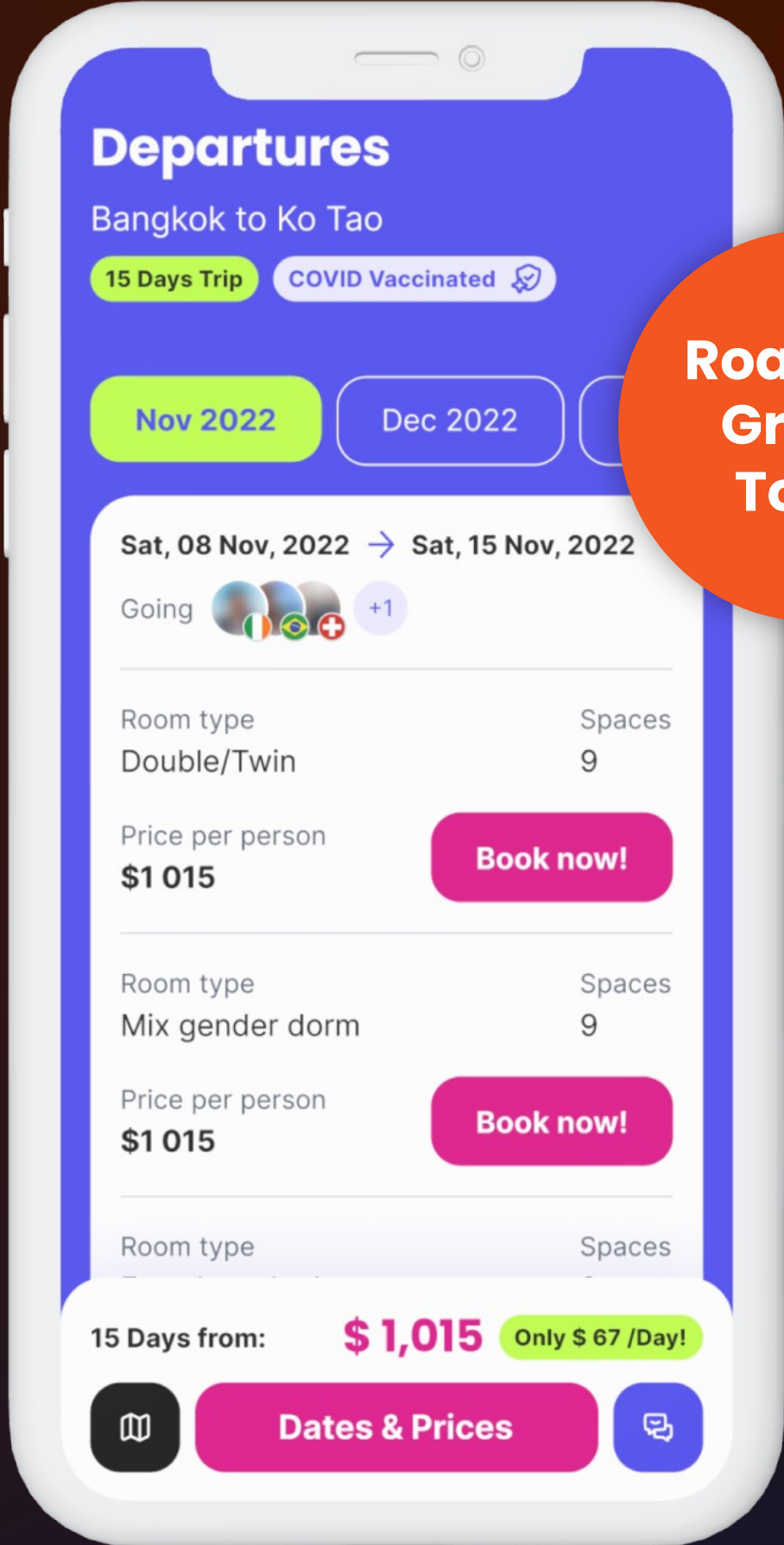
Expanding functionality to (further) deliver on our Mission



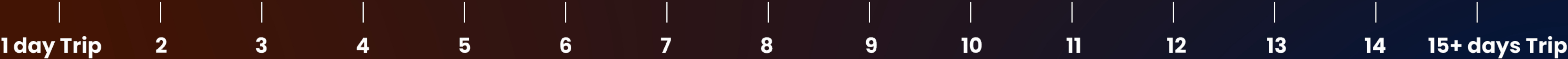
Hostel
Events



Local
Getaways



Roamies
Group
Tours



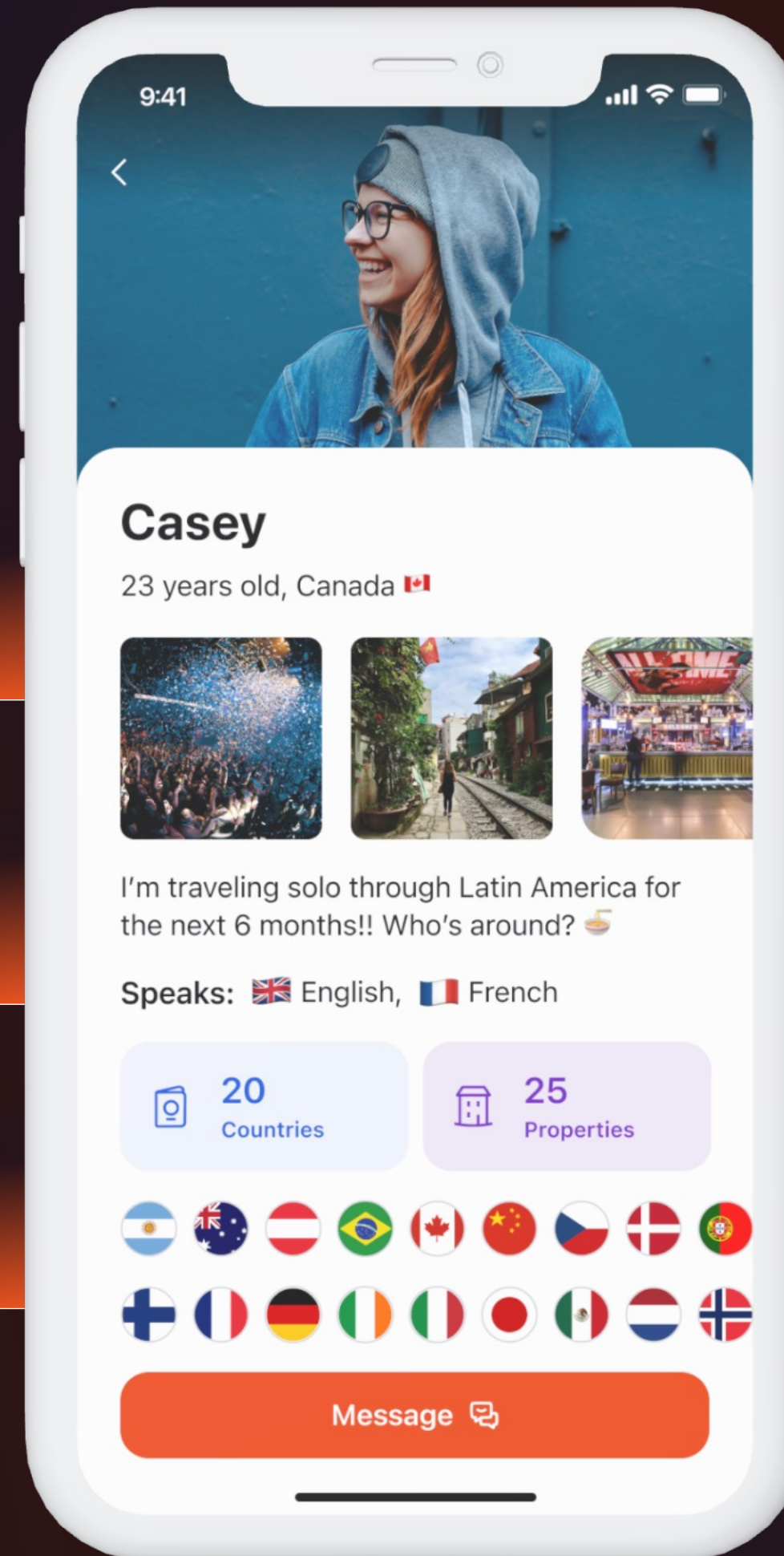
And continuing to invest to deliver exceptional customer value

Extend network capabilities

Richer user profiles

Broader messaging capabilities

New ways to connect with other travellers



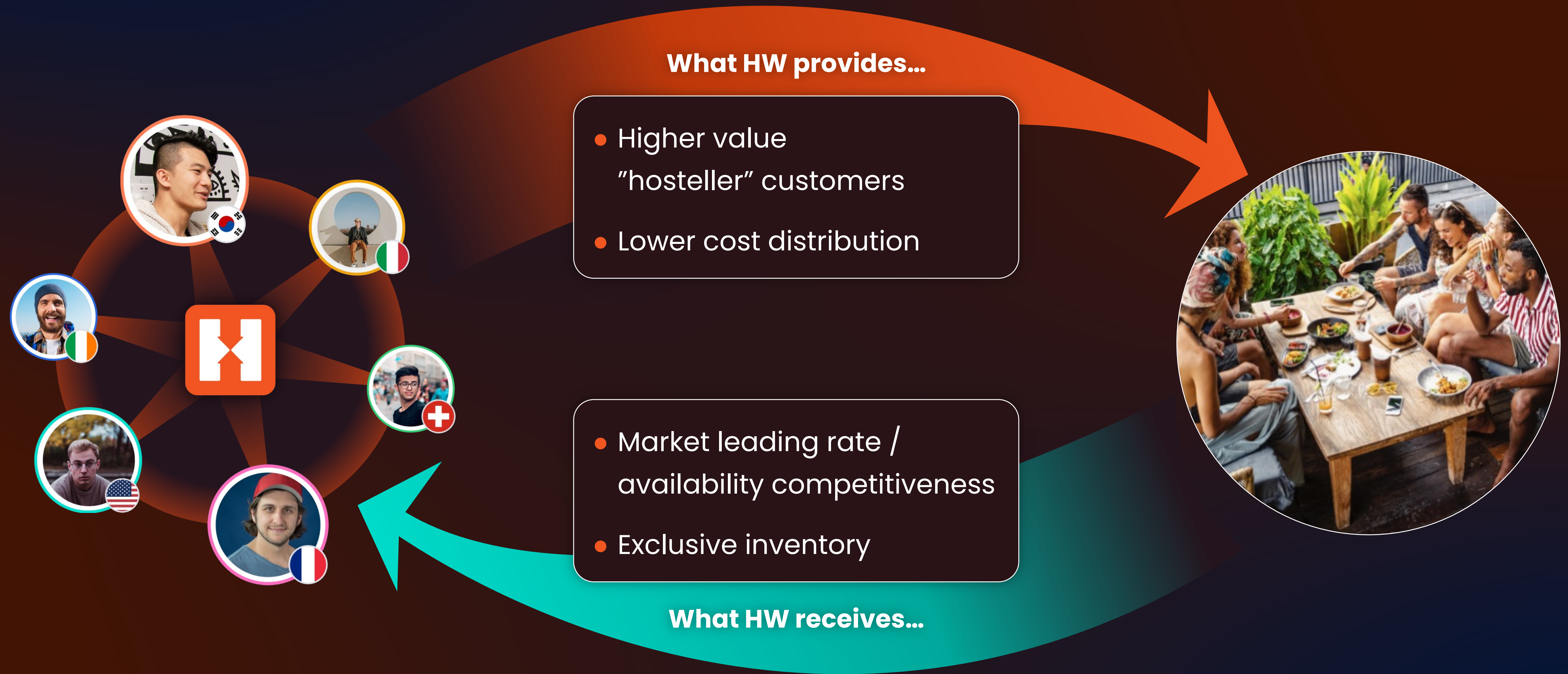
AI Personalisation engine

Connect like-minded travellers

Suggest things travellers might want to do

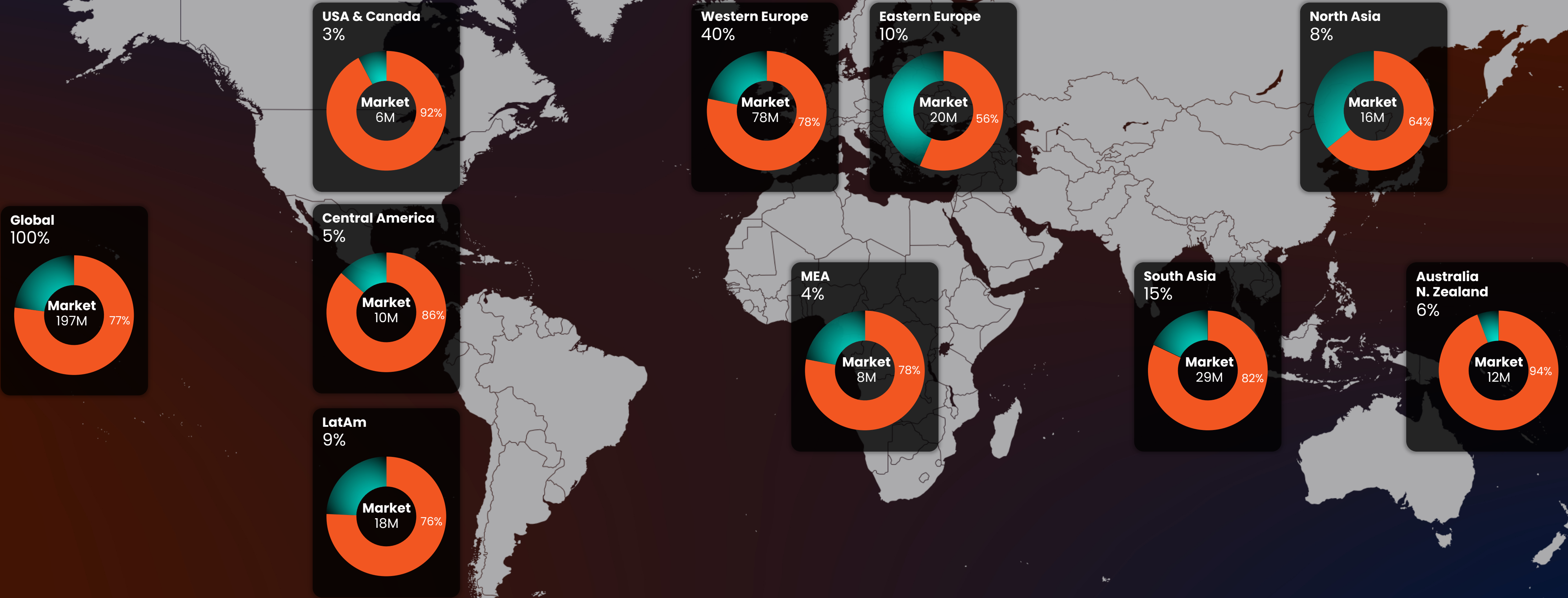
Suggest places travellers might want to go to

Strategy also underpins our long term competitive position with our hostel partners



Expanding our hostel supply coverage

Estimated hostel bednights sold FY 2022E, Millions¹



1. FY 2022 estimate based on available hostels online (HW and non-HW) and estimated occupancy levels using HW internal availability data

Growing importance of sustainability in travel

More than half of our customers report that

“Sustainability plays a role in where I stay”

More than half of our hostel partners are actively working on sustainability initiatives

Growing recognition of “Over Tourism” as a global issue

Emergence of sustainable travel standards bodies (GSTC, Travalyst)

Emergence of sustainability related disclosure filings (TCFD, Scope 1 & 2 emissions)

Making sustainability a competitive advantage over time

Marketing Category Credentials

- Commissioning research proving Hostels are the most sustainable travel option
- Adding new Sustainability category to our annual HOSCARS awards
- First OTA signatory of the Global Tourism Plastics Initiative, addressing root causes of plastic pollution

"Online booking platforms such as Hostelworld are key to scaling up of tourism industry action on circular economy of plastics.....we hope other industry stakeholders will follow the example of Hostelworld's frontrunner action."

Global Tourism Plastics Initiative



Staircase to Sustainability program

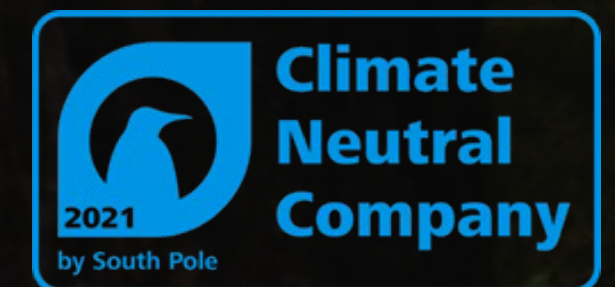
- Partnered with the GSTC to adapt their standards criteria for the Hostel industry
- Developing a bespoke sustainability measurement / management system with Bureau Veritas using these adapted standards
- Sustainability system will replace the current Covid compliance labelling system during 2023



**BUREAU
VERITAS**

Reducing our own emissions

- Disclosed corporate scope 1, 2 and 3 GHG footprint, 615 tCO₂e in 2022
- Offset 100% of our emissions in partnership with the South Pole
- Complying with requirements of the Science Based Targets initiative, reducing scope 1 and 2 by 42% by 2030



Integral part of our ESG strategy



Environmental

- Achieved South Pole's Climate Neutral Company label
- Commitment to further reduce scope 1 & 2 emissions
- Staircase to Sustainability program for Hostels
- Sharing sustainability journey with customers via blog, social media and dedicated page on our website



Social

- Employee policies promoting flexibility and agile working
- Focus on employee wellbeing with dedicated mental health champions
- Achieved DE&I accreditation with 'Investors in Diversity'
- '30% Club Ireland' supporters
- Volunteering days, giving back to local communities

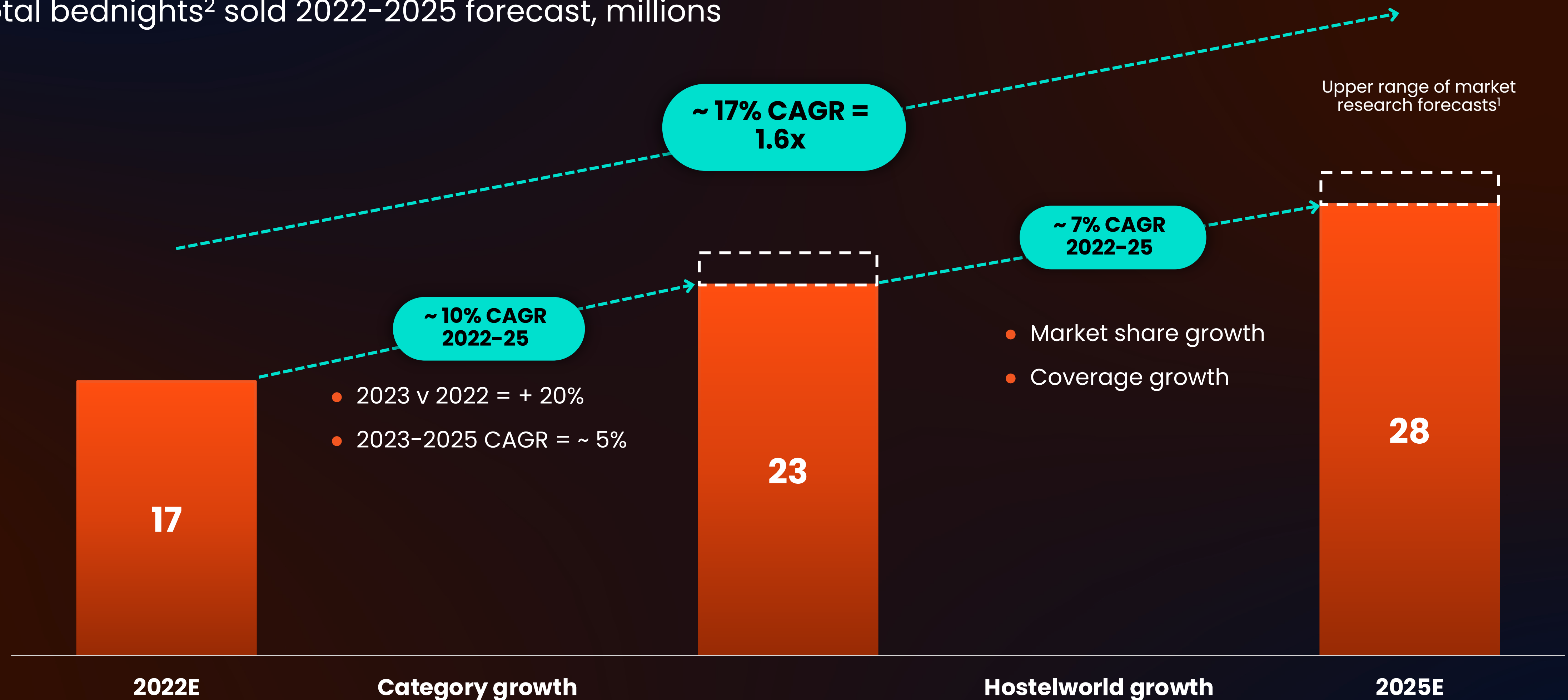


Governance

- Cross-functional ESG Steering Committee led by CFO
- On-going board oversight
- Adoption of TCFD framework
- Tailormade supply chain sustainability assessments
- Completion of annual CDP questionnaire

Clear path to ~28m bednights equating to ~1.6x growth by FY25

Total bednights² sold 2022–2025 forecast, millions



1. The Global Hostel Marketplace 2016 – 2020 Second Edition – March 2018 – Phocuswright
The Business Research Company – Hostels Global Market Report 2022
Future Market Insights – Hostel Market Outlook (2022–2032)
Research and Markets – Global Hostel Market Forecast up to 2027
Global Hostel Market: Analysis By Booking Channel, By Region Size and Trends with Impact of COVID-19 and Forecast up to 2027
Internal management estimates

2. Bednights includes c.1m non-hostel bednights sold on our platform





Outlook



Near Term Guidance

FY 2022 Guidance

FY 2023 Trends

Net Bookings

4.8m

~ 25%

Net GMV

€470m

~ 20%

Net Revenue

c. €70m

~ 20%

Marketing % of Revenue

55% – 60%

50% – 55%

Adj. EBITDA

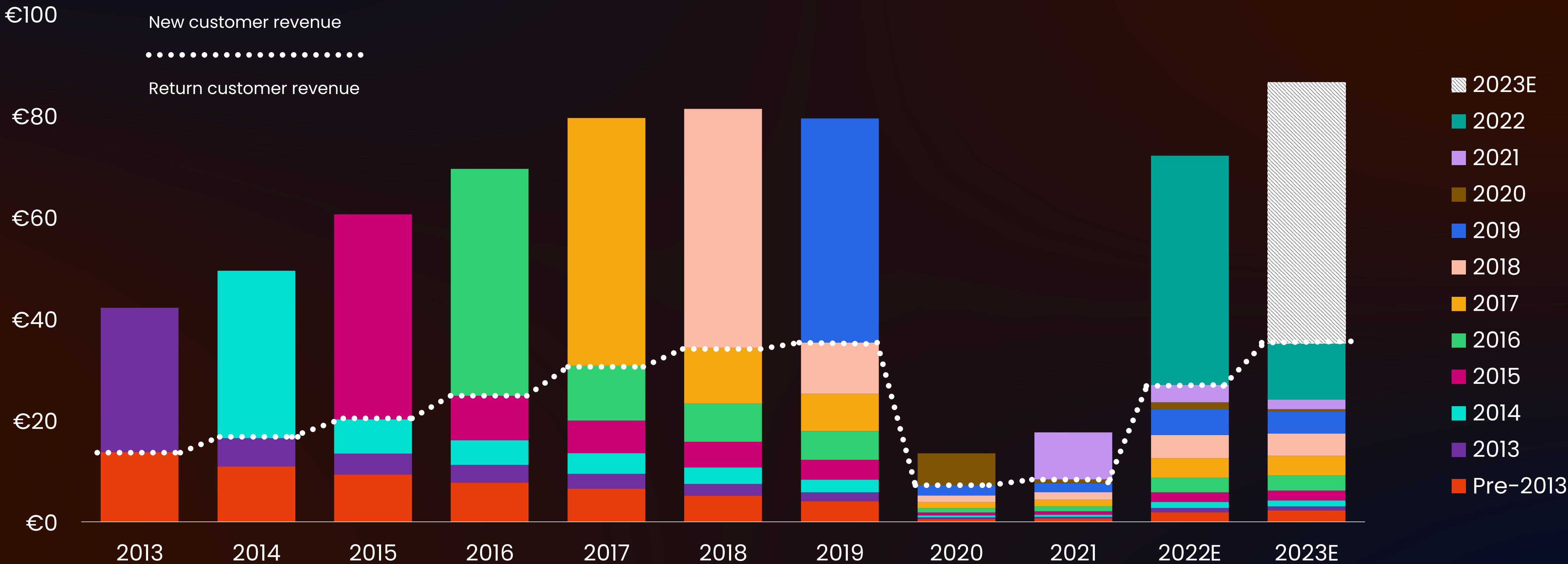
c. €1m

Mid to high-teens margin %



Proven model delivering valuable repeat revenue

FY Net Generated Revenue, millions, segmented by customer by year of acquisition



Medium Term Drivers

FY 2025

Key Drivers

Net GMV

15% CAGR vs. FY'22

Market growth and increased market share

Net Revenue

15% CAGR vs. FY'22

Commission rates unchanged

Marketing % of Revenue

45% – 55%

Powered by social & repeat customers

Adj. EBITDA Margin

~ 20%

Top-line growth and margin improvement

Adj. FCF Conversion

~ 75 %

Asset light business model



Capital allocation priorities focussed on maximising shareholder returns

Principle objective is to deliver growth that drives long-term sustainable value creation

- Asset light business model generating substantial cash flow
- Remain within a leverage range < Net Debt: Adj. EBITDA 1.0x
- Adjusted free cash flow conversion ~75% prior to potential from re-financing benefit

Re-finance existing €30m term loan to reduce leverage and interest costs

Agree repayment plan of €9m warehoused payroll tax liability to Irish Revenue

Continued investment in the business to achieve our stated growth goals



Summary

Significant value creation potential for customers, hostel partners and shareholders over the next 3 years

For Customers...

- **Delivers on the core need of the category:** helping travellers find people to hangout with
- **Increasing value over time:** Social network becomes more useful as more customers join the network

For Hostel Partners...

- **Delivers high value customers** who understand and desire the Hostel experience vs. competitor OTAs
- **Attractive commercial terms** vs. competitor OTAs

For Shareholders...

- **Compound Revenue / margin / EBITDA growth**
- **Strong cash conversion**

Well positioned, well financed and on track

Well positioned...

- Growth strategy is already working as anticipated
- Uniquely positioned to win in this category vs. other OTAs

Well financed...

- Expect to end the year with a closing cash position of €19m
- Refinancing discussions already underway, which will significantly reduce interest costs

On Track...

- Trading performance continues to improve throughout 2022...
- Increasing value over time: Social network becomes more useful as more customers join the network



Q&A

