

29 January 2024

Safestay plc

("Safestay", the "Company" or the "Group")

Trading Update***"Good Performance in 2023 - Comfortably in line with Market Expectations"***

Safestay (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that trading for the 12 months to 31 December 2023, is expected to be comfortably in line with market expectations*.

Highlights:

- Sales expected to be £22.5 million (2022: £19.1 million)
- Occupancy increased to 71.4% (2022: 63%)
- Average bed rate maintained at £23.74 (2022: £23.63)
- Completed the acquisition of Edinburgh Hostel in October for £4.3 million
- Forward bookings, as at 1 January 2024, up twofold to £3.9 million (2023: £1.9million)
- Today the Group has separately announced a refinancing, extending its debt facilities out to 2029

**Analyst coverage forecast revenue of £21.2 million and EBITDA of £6.7 million for the 12 months to 31 December 2023*

The appeal of Safestay's portfolio of premium hostels has remained strong amongst its core customer base of young travellers, families, and business travellers resulting in 848,633 bed nights in 2023. The popularity of the brand and the strength of the locations enabled the Group to achieve a good performance over the course of the year.

In October, the Group completed the acquisition of a 225 bed hostel in the centre of Edinburgh for £4.3 million. The building required some renovation and investment which is underway and the site will be ready to open in advance of the key summer months, as planned.

In 2023 occupancy increased to 71.4% (2022: 63%). This still remains below historic levels providing further opportunity for improvement. One customer segment that is recovering from the effects of the pandemic is large school and college group bookings with forward bookings of £2.7 million, as at 1 January 2024, against £0.9 million in 2023. Overall, total forward bookings are up twofold to £3.9 million.

Average bed rate remained at a good level of £23.74 (2022: £23.63). This represents a step change in pricing since pre-pandemic levels. Maintaining this level of bed rate combined with increasing occupancy is a key driver of future growth.

Larry Lipman, Chairman of Safestay, said, “This performance demonstrates that demand for our product has come back stronger than before the pandemic, and represents an opportunity for Safestay to grow in this exciting market. Our objective is to further build the business and we are very focused on doing so through a careful mix of organic and acquisition led growth.”

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Vox Markets page <https://www.voxmarkets.co.uk/company/SSTY/news/>

Instagram page www.instagram.com/safestayhostels/