

3 February 2025

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

**Trading Update**

***Strong strategic progress and positive momentum in forward bookings reinforces confidence in ambitious medium-term growth plans***

Safestay (AIM: SSTY), one of Europe's largest hostel groups, announces a trading update for the 12 months to 31 December 2024 ("FY24").

**Financial Highlights:**

- Revenue<sup>1</sup> growth of 2% to a record £23.0 million (2023: £22.5 million)
- Adjusted EBITDA<sup>2</sup> of £6.5 million (2023: £6.8 million)
- Successful debt refinancing with HSBC in January 2024 to increase the Group's overall funding capacity and support its long-term growth plans. Existing borrowings refinanced into a single £16 million five-year Term Loan with the addition of a new £2.5 million Revolving Credit Facility ("RCF")
- Forward bookings at 1 January 2025 of £4.7 million, a 27% increase on the prior year (2024: £3.7 million)

**Operational and Strategic Highlights:**

- 10% increase in Total Bed Nights to 931,688 (2023: 848,633), 37% of which were booked through direct and non-commissionable channels (2023: 32%)
- Occupancy rate continued to strengthen to 75.2%, a 3.8% increase year on year (2023: 71.4%)
- Total Revenue per Available Bed ("Total RevPAB") remained broadly in line year on year at £18.56 (2023: £18.93) supported by a strategic focus on increasing sales of ancillary services, including food & beverage sales which increased year on year by 26% (2023: 38%). Average Bed Rate decreased 10% to £21.40 (2023: £23.74) reflecting market-wide pressures on pricing
- Accelerated strategic expansion with four acquisitions, growing the Group's portfolio to 20 sites at year end, comprising 17 operational locations and three in development (31 December 2023: 17 sites comprising 16 operational and one in development)

<sup>1</sup>Including discontinued operations

<sup>2</sup>Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and one-off nonrecurring adjusting items

During FY24, the Group accelerated the strategic expansion of its portfolio, adding four new properties in popular European travel locations (Costa Blanca and Cordoba, Spain; Brighton, UK; and Budapest, Hungary) and successfully opened a new hostel in Edinburgh following the acquisition of the site in 2023. The Group returned the lease of its Vienna hotel in August, removing the only loss-making site in its portfolio. As a result, at the year end, the Group's portfolio comprised 20 sites, 17 of which were operational and three in development.

Despite continued cost-of-living pressures impacting our core young traveller demographic across many key markets, we delivered record revenue<sup>1</sup> of £23.0 million (2023: £22.5 million), a 2% increase year on year. Adjusted EBITDA<sup>2</sup> of £6.5 million was broadly in line with the prior year (2023: £6.8 million).

Total Bed Nights increased by 10% to 931,688 (2023: 848,633), of which 37% were booked through direct and non-commissionable channels (2023: 32%). This improvement in the booking mix reflects a

step-change in the Group's marketing capabilities as well as a gradual recovery in group bookings, which are booked direct and represented 16% of accommodation sales (2023: 10%). Occupancy continued to strengthen to 75.2%, representing a 3.8% increase year on year (2023: 71.4%), reflecting brand momentum.

Whilst the Average Bed Rate of £21.40 (2023: £23.74) reduced year on year in line with broader pricing pressure, Total RevPAB remained robust at £18.56 (2023: £18.93). This reflects management's continued success in driving overall revenue per guest through the increased sales of ancillary services, in particular food & beverage sales which increased 26% during the year (2023: 38%), as well as the gradual recovery in group bookings referred to above which typically carry higher spend per guest.

Despite ongoing pricing pressure, the Group sees opportunities to increase the Average Bed Rate using innovative technology. To support this, the Company recently announced a partnership with Cloudbeds, the industry's premier hospitality management platform. The Group is in the process of transitioning its portfolio on to the Cloudbeds Enterprise Platform, which will improve financial efficiencies, improve the end-to-end customer experience, and enhance yields using proven AI-driven pricing software.

### **Current Trading & Outlook**

Whilst the macro-economic and competitive backdrop is expected to remain challenging in the year ahead, forward bookings at 1 January 2025 were up by 27% year on year to £4.7 million (2023: £3.7 million). This is supported by further growth in group bookings as well as the improvements the Group is making to its marketing capabilities.

Safestay continues to invest in its properties to reinforce its reputation as a leading premium hostel operator, maintaining a controlled capex budget equivalent to 3.0% of annual revenue in 2025. The refurbishment of the recent acquisitions in both Brighton and Budapest is expected to commence before the summer, following receipt of planning approval.

The Group has established itself as one of the leading operators in the large, fragmented and growing international hostel market. Underpinned by our strategic progress and improving operational capabilities, we see significant opportunities for growth and have ambitious plans to double the size of the Group's portfolio in the medium-term. To achieve this, we will continue to actively appraise expansion opportunities across both existing and new markets, including acquisitions as well as less capital-intensive routes to market such as franchising partnerships and management contracts. The Board is confident of achieving further strategic progress as well as revenue and adjusted EBITDA<sup>2</sup> growth in 2025.

### **Larry Lipman, Chairman of Safestay, said:**

*"2024 was a year of important strategic progress for Safestay as we further strengthened our position as one of Europe's leading hostel operators. We expanded our portfolio to 20 sites across some of Europe's great destination cities, increasing our ability to serve our core customer base of young travellers, families, groups and business travellers who want comfortable, great value stays in exceptional locations.*

*Whilst cost-of-living pressures continued to impact our customers and the pricing environment during the year, we were pleased to achieve year-on-year revenue growth supported by our ongoing focus on balancing increasing occupancy whilst also maintaining RevPAB.*

*We enter 2025 in a strong position as one of the leading international operators in a highly fragmented, sizeable and growing market. In addition to remaining focused on delivering organic growth through our operational initiatives, we will continue to actively evaluate new opportunities where well located, attractive sites become available, including through acquisition and lower capital routes to market where we can leverage our brand, operational capabilities and market understanding. We are very excited about the future for Safestay, which we are confident can create strong shareholder returns by delivering step-change growth in the medium-term.”*

A copy of this announcement is available on the Company’s website, [www.safestay.com](http://www.safestay.com)

<sup>1</sup>Including discontinued operations

<sup>2</sup>Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and one-off nonrecurring adjusting items

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

Instagram page [www.instagram.com/safestayhostels/](http://www.instagram.com/safestayhostels/)

## About Safestay PLC

[Safestay](http://www.safestay.com) PLC is one of Europe’s largest hostel groups, operating in the fragmented and fast-growing global hostel market that is expected to be worth \$8.9bn annually by 2027\*.

Safestay’s portfolio of 19 premium hostels and one hotel offer guests both private and shared rooms in destination cities across the UK, Spain, Belgium, Czech Republic, Germany, Greece, Italy, Poland, Portugal, and Slovakia.

The Group currently offers 3,433 beds across its locations and sold 931,688 bed nights in 2024, a 10% increase against the prior year.

Safestay’s mission at each of its locations is to provide a safe, inclusive, and enjoyable space that caters to the needs of different travellers. Its properties offer first-class locations and thoughtful designs that cater for the different needs of travellers, from digital nomads to backpackers and from families to group travellers.

<https://www.safestay.com/>

*\*Source – Markets and Research, August 2022*

**Safestay's pan-European locations include:**

- [Athens Monastiraki, Greece](#)
- [Barcelona Gothic, Spain](#)
- [Barcelona Passeig de Gracia, Spain](#)
- [Berlin Kurfurstendamm, Germany \(hotel\)](#)
- [Bratislava Presidential Palace, Slovakia](#)
- Brighton, UK (in development)
- [Brussels Grand Place, Belgium](#)
- Budapest, Hungary (in development)
- [Calpe Seafront, Spain \(in development\)](#)
- [Córdoba Mezquita Catedral, Spain](#)
- [Glasgow Charing Cross, UK](#)
- [Edinburgh Cowgate, UK](#)
- [London Elephant & Castle, UK](#)
- [London Kensington Holland Park, UK](#)
- [Lisbon Bairro Alto, Portugal](#)
- [Madrid Central, Spain](#)
- [Pisa Centrale, Italy](#)
- [Prague Charles Bridge, Czech Republic](#)
- [Warsaw Old Town, Poland](#)
- [York Micklegate, UK](#)