Trading Update Presentation

Results for the Quarter Ended 31 March 2025

Release: 22 May 2025

Travelodge

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Challenging market backdrop but making good strategic progress

Investing in the business to drive growth and quality

- Challenging UK market trading conditions in first months of the year
- London performance weakest, in particular Greater London where Travelodge hotel room mix is weighted
- Significant industry wide inflationary cost pressures impacting profits
- Industry leading operating cost model, with focus on efficiencies and delivery of further cost savings, helping to navigate cost pressures
- Spanish business performing strongly, delivering good revenue and profit growth across LfL and new hotels
- Strong liquidity position, balancing capex allocations with trading conditions

- Good progress across our strategic priorities
  - Investments in customer proposition, including refit programme, delivering customer and commercial benefits
  - Good F&B performance, benefitting from upgraded Bar 85 as part of refit programme and menu upgrades
  - Successfully executing development plans in the UK, with 11 hotels opened to date and 4 hotels exchanged or completed to date across a range of freehold and leasehold models
  - Encouraging progress on Spanish development plans with an increasing number of opportunities in the near-term and a growing pipeline, building on the recent successful acquisitions

- Confident in medium-term prospects for budget hotels, with proven resilience through economic cycles and strong fundamentals, including attractive supply backdrop

Performance Highlights: Q1 2025

Revenue

£198.4m

(3.5)% vs Q1 2024 (£205.5m)

EBITDA(2)

£(12.2)m

vs £3.4m Q1 2024

Cash

£202.9m

as at 31 Mar 2025

Travelodge UK RevPAR(1)

£44.41

(5.2)% vs 2024

26.7% vs 2019

Growth vs MSE

(1.6)pts vs 2024

1.7pts vs 2019

1. *RevPAR is computed as the product of the Average Daily Rate for a specified period multiplied by the Occupancy for that period. Like-for-like ("LFL") RevPAR compares the RevPAR in Q1 2025 (02 Jan 2025 to 02 April 2025 vs. Q1 2024 (04 Jan 2024 to 03 April 2024) on the basis of LFL RevPAR generated by hotels that were opened before 1 January 2019. (vs 2019 measure) and opened before 1 January 2024 (vs 2024 measure).*
2. *EBITDA (adjusted) = earnings before interest, tax, depreciation and amortisation and non-underlying items, on a pre-IFRS 16 basis, and before rent phasing adjustment. In this measure the benefit of rent free periods agreed in the ordinary course of rent negotiation, are spread on a straight line basis until the next rent review (normally five years from initial agreement). Non underlying items have been removed as they are related to items that are considered to be significant in nature and quantum, and not in the normal course of business.*

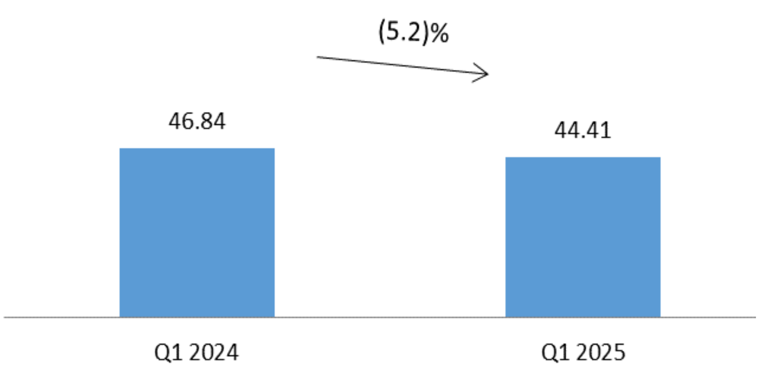
Q1 Results

Q1 Operating Metrics

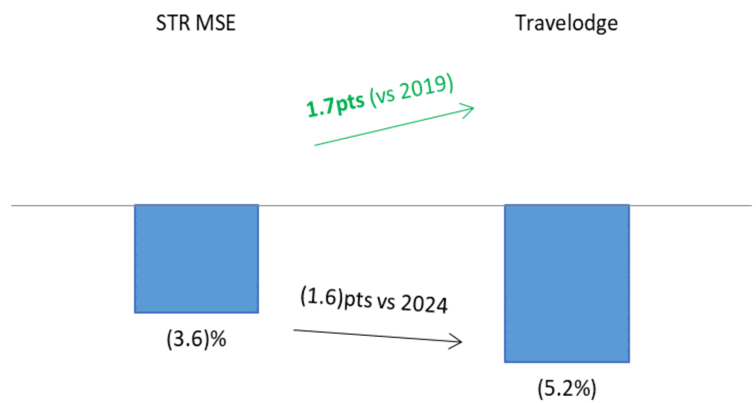
Performance impacted by weaker market trading conditions, particularly Greater London

ADR driving reduction in RevPAR, occupancy slightly down against strong comps

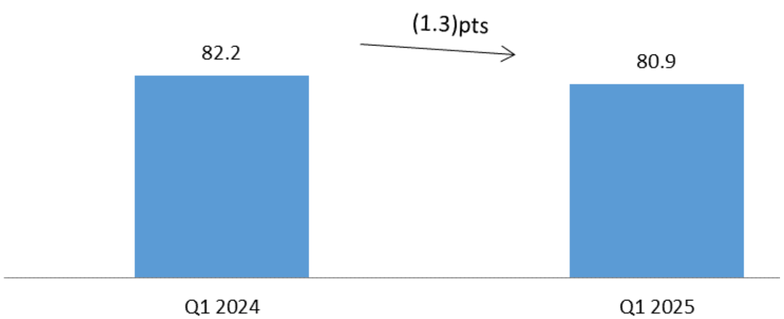
LFL[1] RevPAR (£)[2]



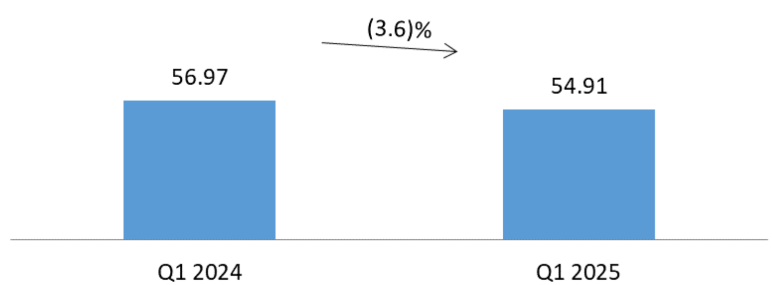
Q1 RevPAR Performance



LFL[1] Occupancy (%)[2]



LFL[1] ADR (£)[2]



Q1 2025 vs. Q1 2024

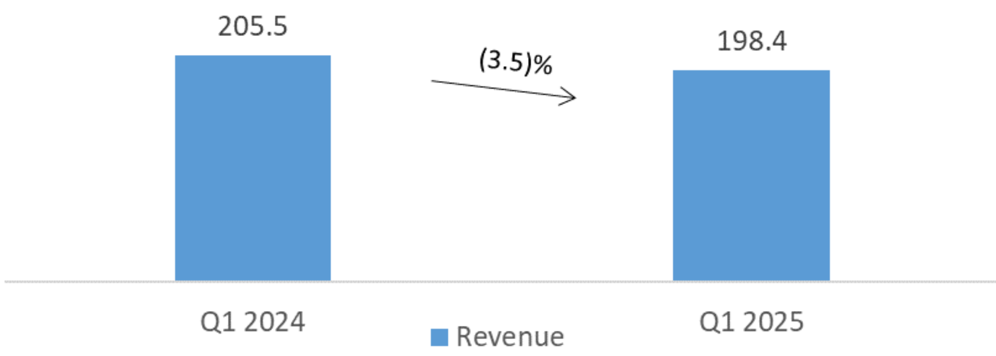
- **RevPAR:** like-for-like UK RevPAR down (5.2)% (up 26.7% vs 2019), reflecting weaker corporate demand, particularly in London with RevPAR c. (6)% vs 2024
- **Greater London weakest at c. (13)% vs 2024** (Central London c. (2)%)[3]. Travelodge London mix weighted to Greater London
- **RevPAR vs Market:** performance against MSE segment **(1.6)**pts vs 2024, impacted by Travelodge London mix, strong comps and phasing of refit programme
- Outperformed **1.7**pts against MSE segment vs 2019.
- **Occupancy:** occupancy decrease of (1.3)pts to 80.9% (up 4.6pts vs 2019). Maintaining high levels of occupancy, c. **7%pts ahead of MSE segment**
- **ADR:** down (3.6)% to £54.91 (up 19.5% vs 2019).

1. RevPAR is computed as the product of the Average Daily Rate for a specified period multiplied by the Occupancy for that period. Like-for-like (LFL) RevPAR compares the RevPAR in Q1 2025 vs. Q1 2024 and 2019 on the basis of RevPAR generated by hotels in the UK that were opened before 1 January 2019 (vs 2019 measure) and opened before 1 January 2024 (vs 2024 measure).
2. Revenue per available room, Average room rate and Occupancy on a UK like-for-like basis for the management accounting periods 02 Jan 2025 to 02 April 2025, 04 Jan 2024 to 03 April 2024.
3. Central London defined as Zone 1 and Greater London Zone 3 – based on company analysis

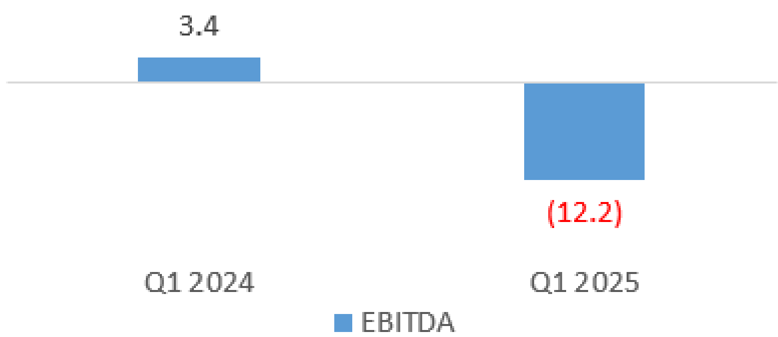
Q1 2025 Financial Results

Financial performance reflects market trading conditions and cost inflation. Continued strong cost control, focus on efficiencies and further cost savings, with costs in line with expectations

Revenue[1] (£m)



EBITDA[2] (£m)



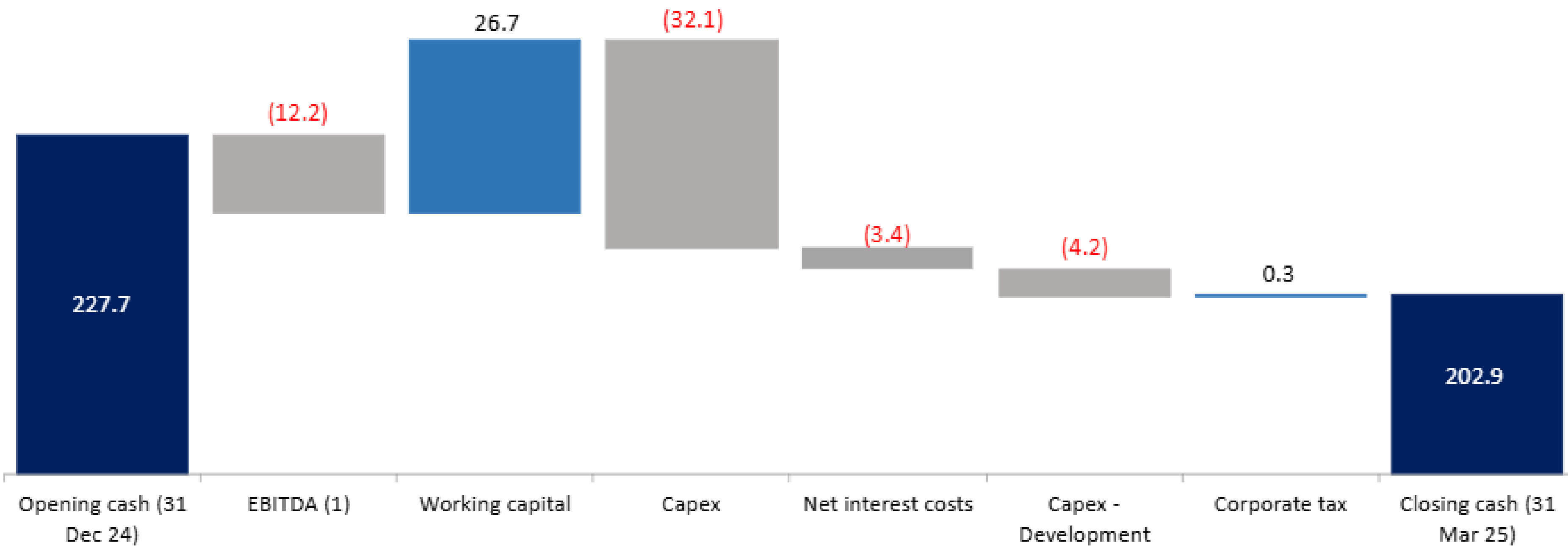
Q1 2025 vs. Q1 2024

- **Revenue** decrease of 3.5%/£7.1m
- Like-for-like UK RevPAR decrease of (5.2)%, slightly lower occupancy levels with decline in rate, partially offset by:
  - Contribution from new and maturing hotels
  - Positive F&B performance with growth of c. 3% compared to Q1 2024
  - Strong growth in Spain with total revenue up c. £2m / 57%, including new hotels and good like-for-like growth
- **EBITDA** decreased by £15.6m, including c. £8m of inflationary cost increases (primarily NLW and rent reviews)
  - Annualisation of 2024 National Living Wage increase of c. 10%, (Q2 will see a further increase of 7% and NIC's impact from April 2025)
  - Continued focus on strong cost control and delivery of efficiencies, with further savings partially mitigating inflationary pressures
  - Good performance in Spain with EBITDA at £0.9m (Q1 2024: £0.4m), and EBITDA margin improvement of c. 4% pts

1. *Total underlying revenue.*
2. *EBITDA (adjusted) = earnings before interest, tax, depreciation and amortisation and non-underlying items, on a pre-IFRS 16 basis, and before rent phasing adjustment. In this measure the benefit of rent free periods agreed in the ordinary course of rent negotiation, are spread on a straight line basis until the next rent review (normally five years from initial agreement). Non underlying items have been removed as they are related to items that are considered to be significant in nature and quantum, and not in the normal course of business*

Q1 2025 Cash Flow

Continuing to invest to drive growth, quality and efficiencies, maintaining strong liquidity position



- Free cash outflow £(17.6)m reflects EBITDA, plus working capital inflows reflecting seasonal patterns, less non-development related capital expenditure
- Capex includes hotel refit, maintenance, health & safety, IT and projects
- Capex-development includes new development and acquisition investments
- Balancing liquidity with capex investments in core estate and development, will continue to review in line with trading conditions

1. *EBITDA (adjusted) = earnings before interest, tax, depreciation and amortisation and non-underlying items, on a pre-IFRS 16 basis, and before rent phasing adjustment. In this measure the benefit of rent free periods agreed in the ordinary course of rent negotiation, are spread on a straight line basis until the next rent review (normally five years from initial agreement). Non underlying items have been removed as they are related to items that are considered to be significant in nature and quantum, and not in the normal course of business*

Net Debt and Leverage

Liquidity position remains strong

Debt (£m)

£m	31-Mar-25
Cash and Cash Equivalents	**202.9**
Revolving credit facility	-
Senior secured fixed rate bond	415.0
Senior secured floating rate bond (EUR)	208.1
Senior Secured Debt	**623.1**
Finance leases	14.9
Total Third Party Indebtedness	**638.0**
Net Third Party Indebtedness	**435.1**

Liquidity / Financial Ratios

- **Cash on balance sheet:** £202.9m at 31 March 2025
- S&P affirmed credit rating of B, negative outlook on 7 May 2025
- Moody's B3/positive outlook, since June 2024
- £415m GBP senior secured fixed rate bond 10.25%
- €250m EUR senior secured floating rate bond EURIBOR + 375bps
- £50m RCF: currently undrawn
- Letter of credit facility: £30m (£20.7m in issue but not called upon as of 31 March 2025)
- Fully hedged currency and interest rate risk on EUR notes
- **Net third party debt ratio 2.4**x[(2)]
- Continue to keep liquidity position (£200m as at 20 May) and capital structure under review to support the growth of the business

Note:
1. Before IFRS16
2. Net third party indebtedness divided by March 25 LTM EBITDA (adjusted)
3. Senior secured floating rate bond (EUR) includes derivative liability in relation to hedging arrangements

Current Trading & Outlook

Current Trading

Challenging near-term market trading conditions, primarily London driven

- UK total revenue in Q2 to date c. (5)% below 2024[(1)]
- London continues to see the weakest performance with MSE RevPAR c. (10)% vs 2024, with continued weakness in Greater London
- Primarily rate driven, including fewer events and weaker corporate demand
- Regional rate slightly ahead of 2024, partially offsetting a slight decline in occupancy

- RevPAR performing slightly below the MSE market segment vs 2024 and ahead vs 2019 in Q2 to date[2]

- Booked revenue in the short-term slightly below 2024 levels, impacted by phasing of events weighted to Q3 this year
- Encouraging signs with booked revenue ahead of 2024 levels in H2 with good long lead event demand, signs of construction demand returning and increases in consumer spending
- Continue to enhance revenue management and distribution capabilities
- Focus on cost control and efficiencies

- Forward visibility remains limited in line with normal trading patterns

Approx. phasing based on 2024 actuals	Q1	Q2	Q3	Q4
Revenue	20%	27%	29%	24%
EBITDA adjusted for one off and phasing	5%	37%	42%	16%

1. Q2 to date: 03 April 2025 to 14 May 2025 vs 04 April 2024 to 8 May 2024
2. Adjusting for rooms temporarily unavailable at one hotel partially closed for refurbishment works

2025 Financial Outlook

Medium-term market fundamentals positive, further efficiencies and cost savings helping to mitigate short-term pressures

Revenue: macroeconomic and political uncertainties remain

- good long-lead event bookings with booked revenue in H2 to date ahead of 2024 levels and positive signs of construction business demand returning
- strong event programme weighted towards Q3
- 1% point of RevPAR growth p.a. impacts profits by c. £8-9m

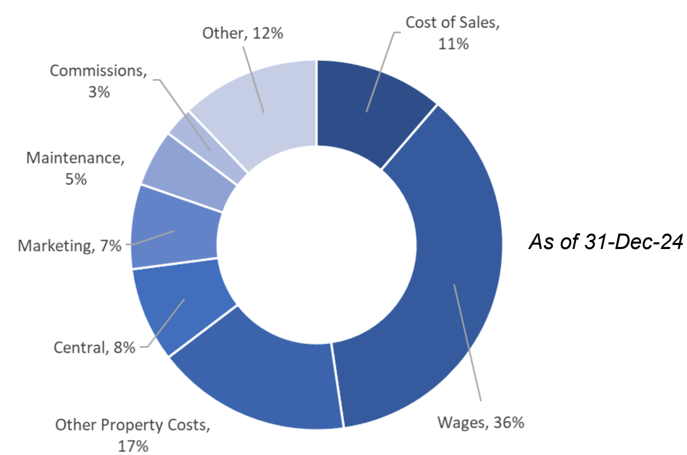
Costs: industry leading operating cost model with a focus on in-sourcing, leveraging technology and intelligent automation and innovation, to partially mitigate inflationary pressures

- Gross cost inflation of 5-6%, including projects investments but excluding new hotels
  - NLW increase (c. £12m) and increased employer NI contributions from April 2025 (c. £9m)
  - energy hedged (c. 85% summer 2025 and 75% winter 2025)
  - rent on five yearly reviews with net rent, including new leasehold hotels, increasing to £275m - £285m in 2025
  - cost efficiencies and savings expected to reduce **net cost inflation to 4-5%**
  - ongoing investments in growth, quality and efficiencies, including system upgrades

Capex: prudent cash management, balancing liquidity with investments in core estate and development

- core estate capex has been reduced by c. £20m, now expected to be c. £110m - £120m excluding freehold hotel acquisition costs
- continuing with hotel refit program (c. £50-55m)
- other investments in the estate to support quality and efficiency
- will continue to review overall spend in line with trading conditions

Operating cost base excluding rent



Medium-term market fundamentals positive

- UK budget hotel segment has proven resilience and benefits from domestic focus, mix of business/leisure, and good value
- favourable market supply dynamics with continued reduction in independent hotel operators

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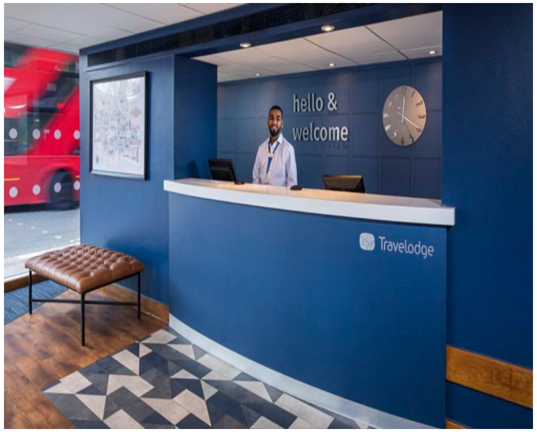
Upgrades to customer proposition driving positive results

Refit programme well progressed with over 60% of rooms upgraded

- Refit of the estate to next-generation rooms, re-designed reception and upgraded bar café is well progressed, with c. 60% of the room estate refitted to date
- Investing c. £50m-55m in 2025
- Delivering positive commercial benefits with RevPAR uplifts and increased food & beverage performance
- Positive impact on customer quality metrics
  - 369 hotels received a Tripadvisor Traveller's Choice Award, up 45 on the previous year
  - over 96% of hotels rated 4 dot or higher on TripAdvisor



Development progress

Successfully executing on growth plans through a range of freehold and leasehold development models

11 new hotels opened to date, with contracts completed or exchanged on a further 4 new hotels

Traditional leasehold

- Opened one new build leasehold hotel in the **UK** (Chiswick) and expecting to open a further four in 2025
- **Spanish** new build hotel deals signed in San Sebastian, Cadiz and Alicante, with typical development timeframes of c. 3 years, and an increasing pipeline of opportunities

Leasehold rebrand acquisitions

- London Bromley Town Centre and Bromsgrove opened in the **UK**
- Post Q1 exchanged contracts for a further **UK** leasehold rebrand hotel

Sustainable development vs new build

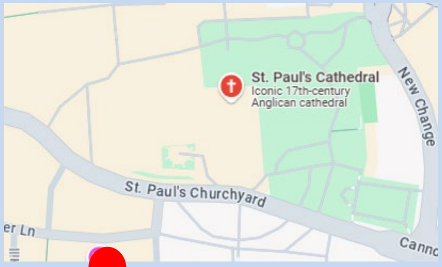
Freehold rebrand acquisitions

- Exchanged contracts to acquire nine[1] hotels in **UK** for an acquisition cost of c. £30m (excluding refit costs) in Q1. These acquisitions have now all completed and eight of the nine have been rebranded and are trading as Travelodge, with one closed for refurbishment. Remaining hotels will also have full refits during 2025.
- Post Q1 exchanged contracts to acquire a further two freehold hotels in **UK**

Sustainable development vs new build

Freehold change of use and new development

- Acquired **UK** freehold office in prime Central London location, St Paul's, in 2024, that we will convert to a hotel, subject to planning
- Growing pipeline of opportunities in **UK** and **Spain**



Sustainable development vs new build

Will continue to balance investment for growth with cash generation and liquidity

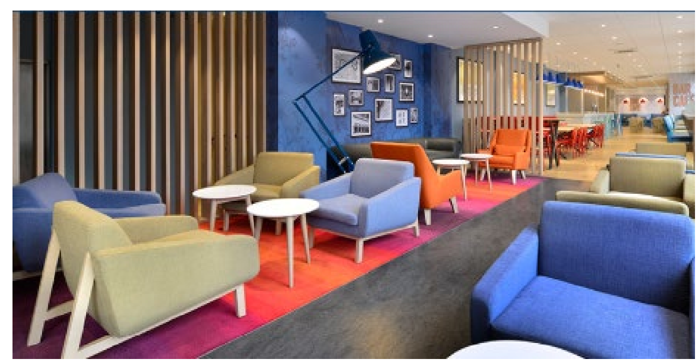
1. Five freeholds and four long leaseholds. 2. Five freehold and one long leasehold

Summary

Summary

Travelodge well-positioned for medium-term growth

- Weaker near-term market trading conditions, particularly in London
- Robust cost control and delivering efficiencies and savings to help navigate cost pressures
- Continuing to invest in the business to drive growth, quality and efficiency
- Good strategic progress including clear development strategy with strong and diversified development pipeline
- Strong liquidity position
- Macroeconomic and political uncertainties remain but well positioned with strong fundamentals



Q&A

Appendices

Travelodge Overview

Who We Are

- UK's second largest hotel brand based on number of hotels and rooms
- Well invested modernised portfolio with 610 hotels and c.47,000 rooms [(1)]
- Lease, manage and own hotels with low upfront capex model
- Positioned in the attractive value segment as a low-cost operator, offering standardized, modern guest rooms at affordable prices
- Well balanced client base serving c.22m business and leisure customers
- c.90% direct booking, with c.80% through own websites and c.10% through walk-ins, call centres and Groups[3]
- Employs c.13,000 people across all hotels and support offices[1]

Where We Are[1]

United Kingdom

London
- 84 Hotels
- 10,237 Rooms
- 22% of total Rooms

Regions[4]
- 503 Hotels
- 34,328 Rooms
- 73% of total Rooms

International

Spain
- 12 Hotels
- 1,472 Rooms
- 3% of total Rooms

Ireland[5]
- 11 Hotels
- 1,226 Rooms
- 3% of total Rooms

Travelodge

Key Operating Statistics[1]

610 *Hotels*

47,263 *Rooms*

22m *Customers*

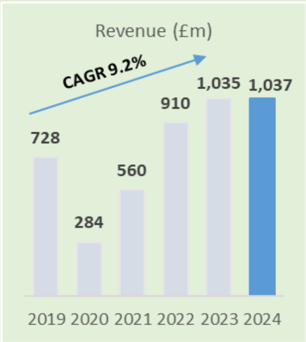
84.2% *Occupancy[2]*

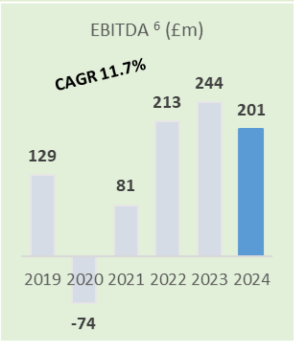
£68.40 *ADR[2]*

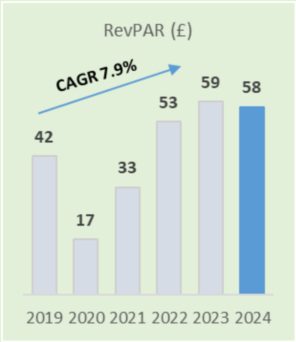
£1bn *Revenue*

£201m *EBITDA[6]*

Recent Performance







Note: (1) As of 31-Dec-24 (Hotels and Room as of 31st March 2025); (2) For Travelodge UK leased hotels only; (3) "Indirect" refers to travel agents/Direct Connect, GDS and OTA; (4) Includes 10 hotels operated under management contracts; (5) Operations in island of Ireland under a master franchise. (6) EBITDA (adjusted) = Earnings before interest, tax, depreciation and amortisation, and before rent phasing adjustment and non-underlying items. This measure is reflective of the position in line with historical accounting principles (before IFRS 16) except for being prior to the rent phasing adjustment. Non underlying items have been removed as they relate to non-recurring, one-off items. The calculation for this measure is consistent with prior years

Travelodge is One of the Leading Platforms in the UK

1	Attractive long-term growth fundamentals in the resilient, undersupplied UK midscale and economy hospitality market, as well as the underpenetrated fast-growing Spanish market
2	Leading market position driven by outstanding brand recognition and increasingly well invested network of hotels
3	Compelling guest proposition with an emphasis on value-for-money and a diversified customer base with advantageous business leisure mix
4	Highly effective revenue management system with high share of direct distribution
5	Best–in-class operating model including significant proportion of CPI capped rents drives profitability and cash flows
6	Cash flow accretive estate growth further enhancing diversification in the UK and in the underpenetrated and fast-growing Spanish market
7	Comprehensive sustainability plan integrated into wider strategy
8	Experienced management with proven track record of delivering operational and financial improvements