



Trading Update Presentation

Results for the Quarter Ended 31 March 2026

Release: 27 May 2026



travelodge.co.uk

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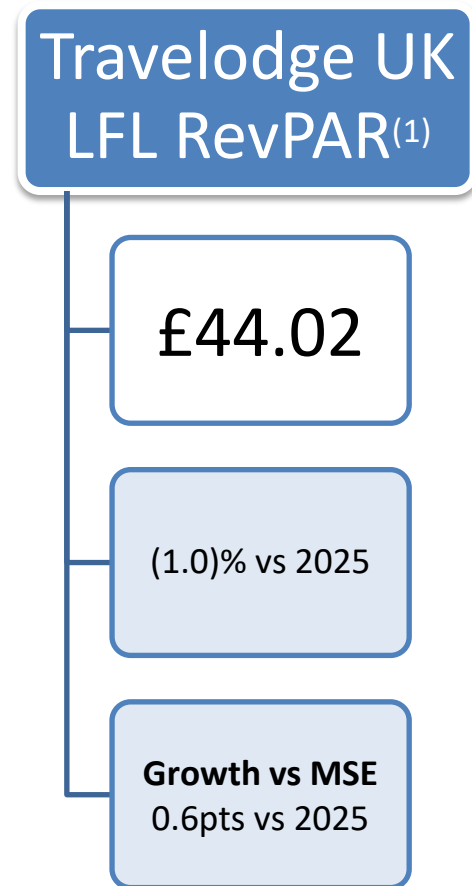
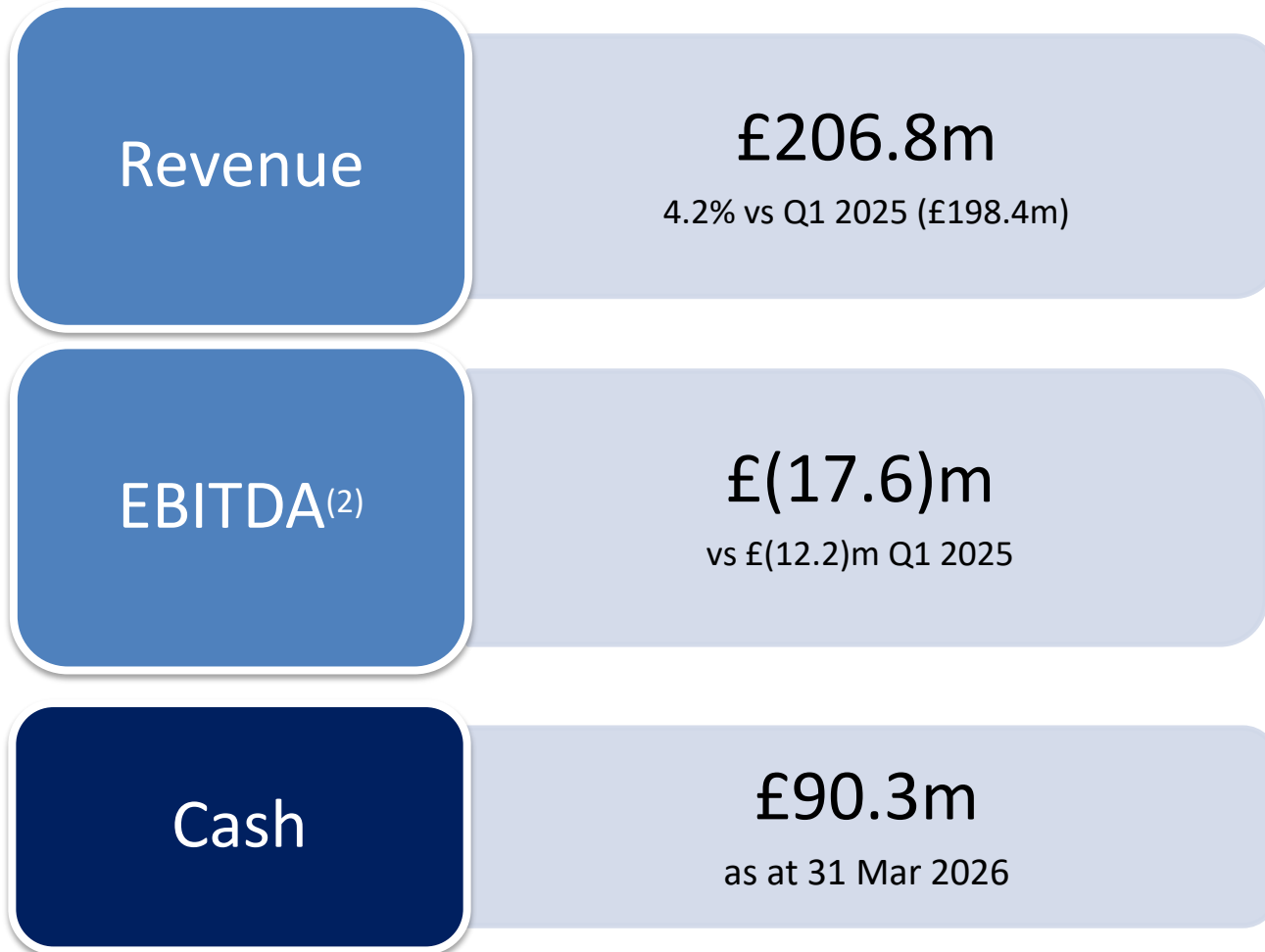
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Solid start to the year amid ongoing challenging market backdrop

Continued investment and strategic progress

- Q1 revenue performance reflects good levels of demand across Travelodge's broad range of business and leisure customers:
 - Performed ahead of the competitive segment
 - Continued positive contribution from new & maturing hotels and food & beverage business
- Spanish business continues to perform well, with strong revenue and profit growth
- Costs in line with expectations, with efficiencies and disciplined cost control partially mitigating the continued significant inflationary pressures
- Well invested estate, including well progressed refit programme, and further investment in back-office system upgrades
- Steady development progress with one hotel opened in the UK and one in Spain so far this year, diversified pipeline of development opportunities in both UK and Spain, though real estate market challenges remain
- Robust liquidity position, balancing investment in the core estate with development and continue to review in line with trading conditions
- Solid Q2 trading to date
- Monitoring the potential impact from economic and geopolitical uncertainty on consumer and business confidence
- Confident in medium-term prospects for budget hotels, with proven resilience through economic cycles, diversified customer base and strong fundamentals

Performance Highlights: Q1 2026



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 FY 2025 (1 Jan 2026 to 01 Apr 2026 vs. Q1 2025 (2 Jan 2025 to 2 Apr 2025) on the basis of LFL RevPAR generated by hotels that were opened before 1 January 2025 (vs 2025 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.

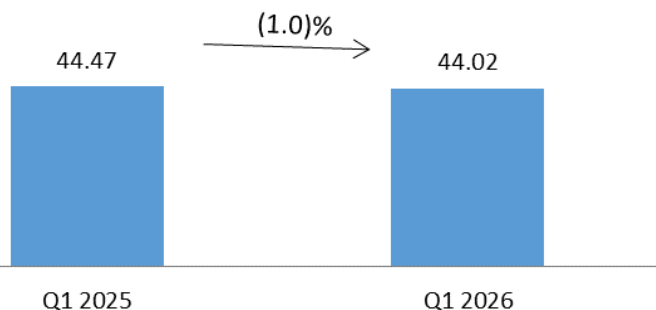
Q1 2026 Results

Q1 Operating Metrics

Good leisure demand and events helping to partially offset softer corporate demand

Outperforming the competitive segment with good occupancy growth

LFL¹ RevPAR (£)²



Q1 RevPAR Performance

STR MSE

(1.6)%

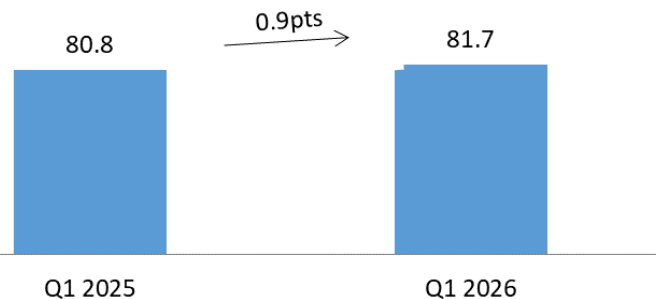
Travelodge

(1.0)%

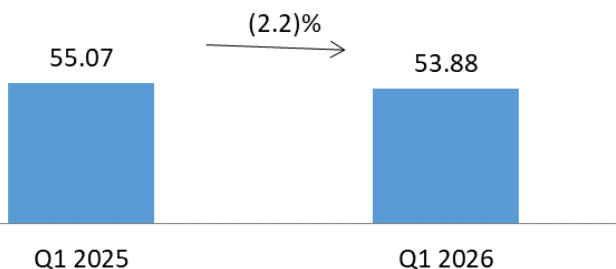
Q1 2026 vs. Q1 2025

- **RevPAR:** like-for-like UK RevPAR down (1.0)%
- Solid performance across both London and the Regions, supported by good leisure demand and events
- Corporate demand relatively softer, particularly in London
- **RevPAR vs Market:** performance 0.6% points ahead of MSE segment
- **Occupancy:** increased 0.9pts to 81.7%
- **ADR:** down (2.2)% to £53.88

LFL¹ Occupancy (%)²



LFL¹ ADR (£)²



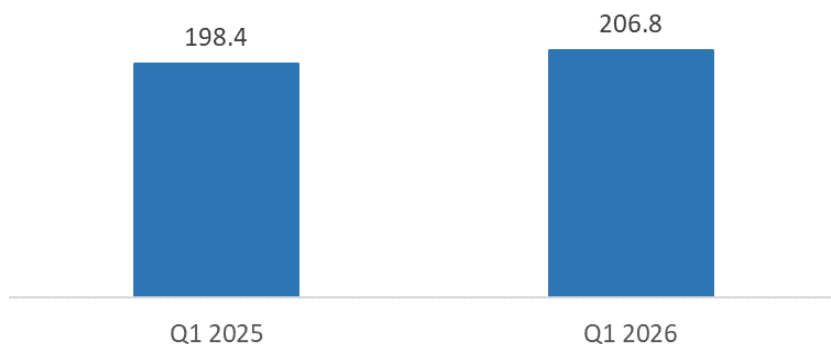
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2. Revenue per available room, Average room rate and Occupancy on a UK like-for-like basis for the management accounting periods 1 Jan 2026 to 1 Apr 2026, 2 Jan 2025 to 2 Apr 2025.

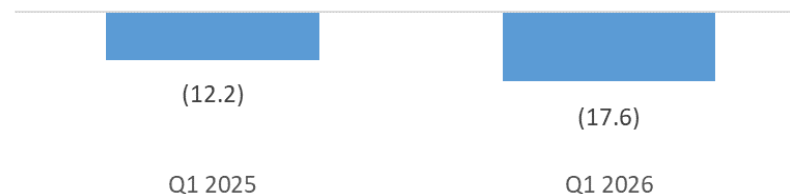
Q1 2026 Financial Results

Solid performance in line with expectations

Revenue⁽¹⁾ (£m)



EBITDA⁽²⁾ (£m)



2026 vs. 2025

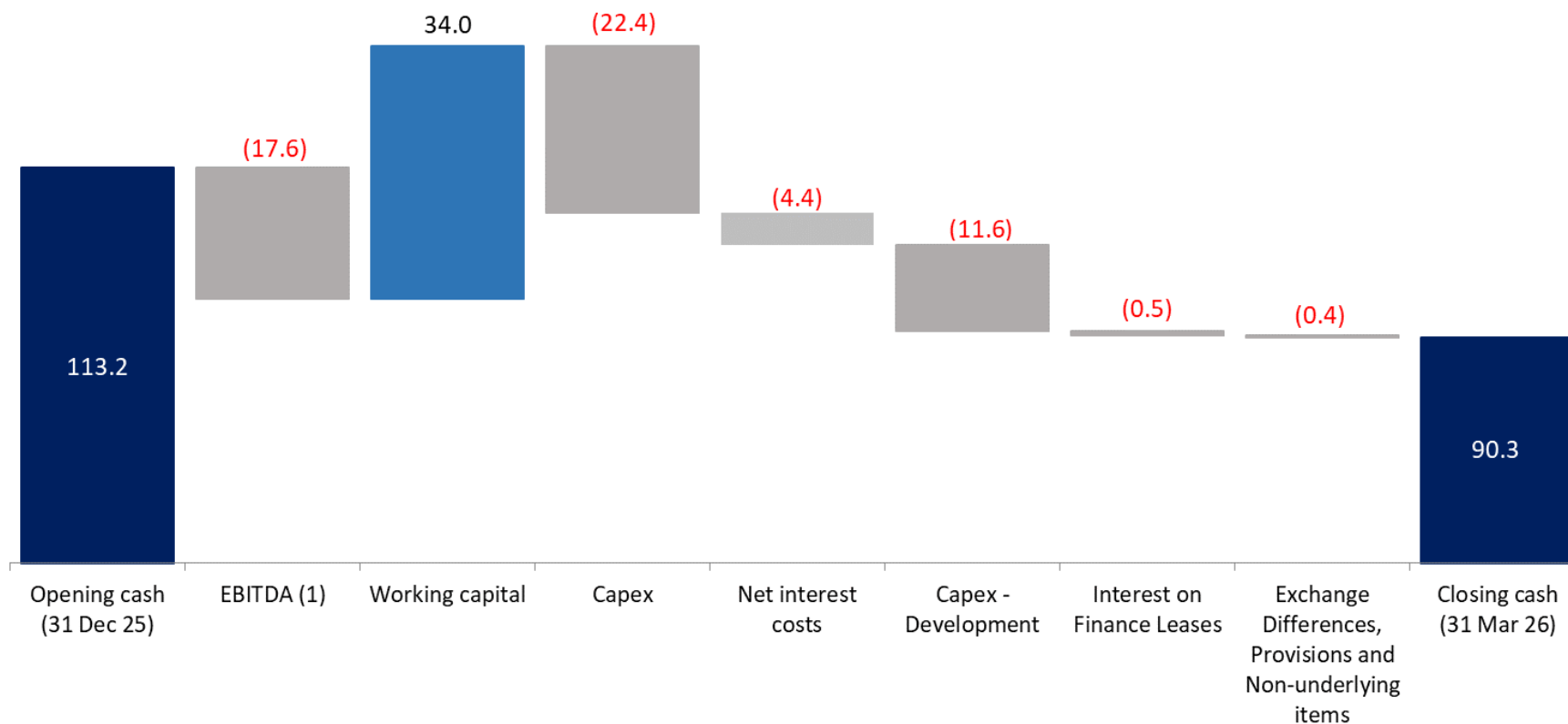
- **Revenue** 4.2% growth in Q1 driven by:
 - UK LfL RevPAR (1.0)% in our smallest trading quarter, with good occupancy growth offset by weaker rate environment in line with market trading conditions
 - Outperforming against the MSE market segment in both London and Regions
 - Positive contribution from new & maturing hotels
 - Further growth in total F&B revenue, c.7% (inc. new & maturing hotels), benefitting from proposition upgrades
 - Spain revenue growth of c. 27%
- **EBITDA** in line with usual seasonal trading patterns, a decrease of £(5.4)m, reflecting higher costs including c. £6m of inflationary cost increases (primarily NLW, NIC's and rent reviews)
 - Approximately half of this increase driven by annualisation of NLW increases of c. 7%, alongside NIC's
 - Continued disciplined cost control and focus on cost efficiencies
 - Good performance in Spain with EBITDA up £0.9m (Q1 2026: £1.7m vs Q1 2025: £0.9m) and EBITDA margins of c. 21%

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 2026 Cash Flow

Continued investments in core estate and development, balancing with overall liquidity



- Free cash outflow £(6.0)m reflecting EBITDA performance and seasonal working capital patterns, less non-development related capex
- Capex includes hotel refit, maintenance, health & safety, IT and projects
- Capex-development includes new development and acquisition investments
- Balancing liquidity with capital allocation across the core estate and development, will continue to review in line with trading conditions

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Net Debt and Leverage

Solid liquidity position

Debt (£m)

£m	31-Mar-26
Cash and Cash Equivalents	90.3
Revolving credit facility	-
Senior secured fixed rate bond	415.0
Senior secured floating rate bond (EUR)	210.5
Senior Secured Debt	625.5
Finance leases	14.7
Total Third Party Indebtedness	640.2
Net Third Party Indebtedness	549.9

Liquidity / Financial Ratios

- **Cash on balance sheet:** £90.3m at 31 March 2026
- S&P credit rating of B-, stable outlook
- Moody's credit rating of B3, stable outlook
- £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 (£19.2m in issue but not called upon as of 31 March 2026)
- Fully hedged currency and interest rate risk on EUR notes
- Net third party debt ratio 3.5x¹
- Continue to keep liquidity position (£108m as at 20 May) and capital structure under review to support the growth of the business
- Well positioned to address upcoming financing maturities

Note:

1. Before IFRS16 net third party indebtedness divided by March 26 LTM EBITDA
2. Senior secured floating rate bond (EUR) includes derivative liability in relation to hedging arrangements

Current Trading & Outlook

Current Trading

Solid trading in early weeks of Q2

- Total revenue in Q2 to date c. 4% ahead of 2025⁽¹⁾
 - Modest growth in LfL UK RevPAR
 - YTD continue to perform ahead of the competitive segment
 - Contribution from new & maturing hotels and good performance in Spain.
- Solid demand across broad range of customers, with booked revenue ahead of 2025 levels and a strong events programme expected in 2026
 - London performance improving with good occupancy growth, but softer rate environment continues
 - Regional performance robust with occupancy, partially offset by small decline in rate
 - Spanish business continues to perform well
- Continue to enhance revenue management and distribution capabilities
- Forward visibility remains limited in line with normal trading patterns
- Monitoring the potential impact from economic and wider geopolitical uncertainty on consumer and business confidence

Approx. phasing based on 3 year average				
	Q1	Q2	Q3	Q4
Revenue	20%	25%	30%	25%
EBITDA	0%	35%	45%	20%

1. Q2 to date: 2 April 2026 to 20 May 2026 vs 3 April 2025 to 21 May 2025

2026 Financial Outlook

Range of trading outcomes given uncertain market backdrop, continued focus on cost efficiencies and disciplined capital investment

Revenue:

Booked revenue ahead of 2025, supported by strong events programme, but usual limited visibility.

Monitoring the potential impact from economic and wider geopolitical uncertainty on consumer and business demand. We remain confident in the medium-term outlook, supported by resilient market fundamentals and encouraging demand indicators.

- 1% point of RevPAR growth p.a. impacts profits by c. £8-9m

Costs guidance unchanged from last update

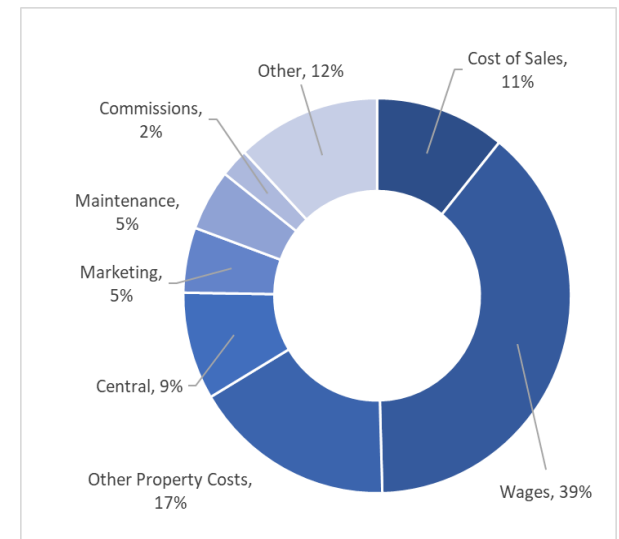
Overall, we expect gross cost inflation of 6% - 7.5%, partially mitigated by our ongoing efficiency programme, expected net cost inflation of 5% - 6.5% excluding new hotels

- NLW increase of c. 4.1% from April 2026, combined with the annualisation of the April 2025 increase of 6.7%, will increase costs for the year by c.£9m in aggregate. Employer NI contribution increases from April 2025 add a further c.£2m on an annualised basis
- Business rates revaluation due April 2026 will increase cost from £38m to c. £50m in 2026. Continue to engage with Government about further relief package
- Impact of visitor levies/tourism tax and Employment Rights Bill uncertain but expected to add to the cumulative regulatory cost on the sector
- Energy costs hedged, no significant price increases expected in 2026
- Rent review impact of five yearly reviews and new openings increase net rent to c.£295m - £305m in 2026 (c. £278m in 2025)
- Ongoing investments in growth, quality and efficiencies, including system upgrades

Capex: prudent cash management, balancing liquidity with capital allocation across the core estate and development

- Maintaining investment in the core estate to support quality and efficiency, expecting to invest c. £90m in 2026 (exc. Development)
- Overall capex reflects a reduction in discretionary refit investment of c. £10m compared to previous guidance (approximately £40m allocated to refit in 2026), with full investment maintained in maintenance, health and safety and other core estate requirements
- Will continue to review overall spend in line with trading conditions, balancing growth ambitions with solid cash generation

Operating cost base excluding rent



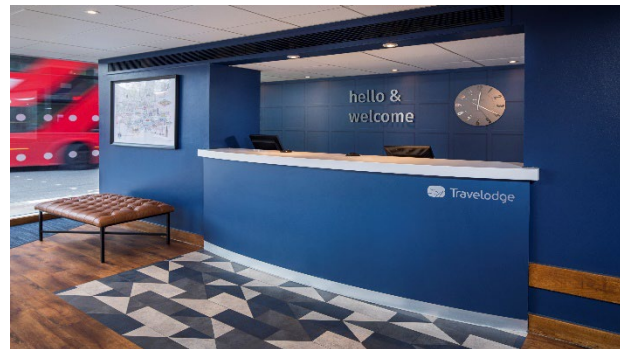
As of 31-Dec-25

Summary

Summary

Well-positioned for medium-term growth, range of trading outcomes in short-term

- Solid start to the year amid challenging market backdrop with similar trends in Q2 to date
- Costs in line with expectations, continued focus on delivering efficiencies and disciplined cost control to help partially mitigate inflationary and regulatory cost increases
- Investing in the business; continued focus on maintenance and health & safety, and strategic investments to support growth, quality and efficiencies
- Steady development progress, diversified pipeline of opportunities in UK and Spain
- Solid liquidity position, balancing cash generation with investments in core estate and growth ambitions
- Monitoring the potential impact from economic and wider geopolitical uncertainty and consumer and business confidence
- Well positioned for the medium-term, with strong fundamentals and a clear pipeline of future growth opportunities



Q&A

Appendices

Strategic Priorities

Being the Brilliant Base - providing customers with a well priced, well located, stay they can trust



Customer proposition

- Focus on “Being the Brilliant Base” for our customers
- Refit programme well progressed, with over two-thirds of the room estate refitted to brand standard
- Continuing to expand range of alternative room types to meet need of broad range of customers
- Over 96% of hotels with a 4 dot TripAdvisor rating or above
- Investment in energy and water saving projects
- Leveraging technology to drive efficiency and enhance customer experience, including new AI assistant "Ara", first hybrid “StaySmart” hotel and core system upgrades



Revenue management & Distribution

- Industry leading revenue management capabilities and best in class direct distribution model
- Customers offered a choice of room rates and increasing range of ancillaries and payment options
- New mobile app driving high adoption rates and positive customer reviews
- Leveraging technology to broaden our reach to a greater range of business customers and providing an enhanced booking experience
- Continuously refining our customer acquisition strategies across our diverse customer base



Development

- Significant development opportunity across the UK and Spain
- Clear diversified development strategy to grow through a range of freehold and leasehold development models
- Successfully executing deals with a balanced mix of development timeframes
- Building on our successful track record of rebrand acquisitions
- Solid and diversified pipeline of opportunities, real estate market challenges remains
- Opportunity to optimise network profitability from existing estate

Continuing to deepen our customer and market insight to shape our future growth plans

Travelodge Overview



Who We Are

- UK's second largest hotel brand based on number of hotels and rooms
- Well invested modernised portfolio with 631 hotels and c.49,000 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 Groups³
- Employs c.13,000 people across all hotels and support offices¹



Where We Are

United Kingdom

International

London

- 88 Hotels
- 10,698 Rooms
- 22% of total Rooms

Spain

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

Regions⁴

- 520 Hotels
- 35,794 Rooms
- 73% of total Rooms

Ireland⁵

- 11 Hotels
- 1,226 Rooms
- 2% of total Rooms



Key Operating Statistics¹



631
Hotels



49,190
Rooms



22m
Customers



84.0%
Occupancy²

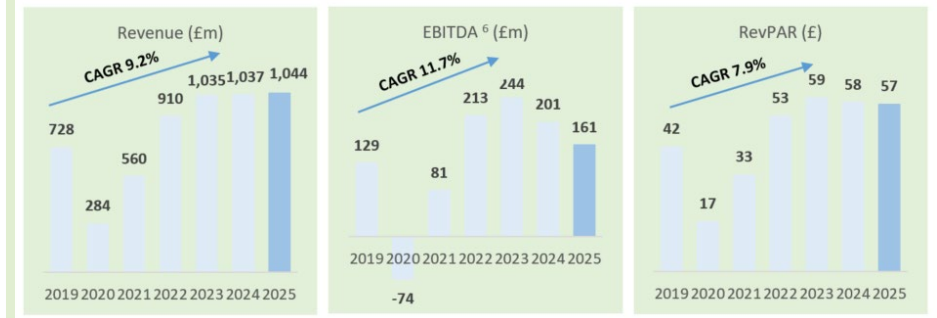


£67.88
ADR²



£1bn **£161m**
Revenue EBITDA⁶

Recent Performance



Note: (1) As of 31-Dec-25 (Hotels and Rooms as of 31-Mar-26); (2) For Travelodge UK 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