Trading Update Presentation

Results for the Half Year Ended 30 June 2026

Release: 20 August 2026

travelodge.co.uk

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Solid H1 performance against challenging market backdrop

Ongoing investment and continued strategic progress

- Good leisure demand supporting H1 performance, offsetting the softer corporate market:
  - Performed slightly ahead of the competitive segment
  - Continued positive contribution from new & maturing hotels
  - Strong 8% growth in F&B business, benefitting from an enhanced customer proposition and back-office system upgrades
  - Spanish business continues to perform well, with strong 22% revenue growth and 34% profit margins
- Costs in line with expectations, impacted by significant inflationary pressures (c. £18m)
  - Flat EBITDA performance, reflecting revenue performance and disciplined cost control
- Well invested estate with over 75% of estate now upgraded
- Steady development progress with three hotels opened to date
  - Diversified pipeline of development opportunities in both UK and Spain, though real estate market challenges remain
  - Managing development pipeline proactively based on market conditions and liquidity position
- Solid liquidity position, balancing investment in the core estate with development, continue to keep under review
- Q3 to date total revenue up c. 3%, supported by new & maturing hotels
- Mindful of the macroeconomic and political uncertainties impacting consumer and business demand
- Confident in medium-term prospects for budget hotels, with proven resilience through economic cycles, diversified customer base and strong fundamentals

Performance Highlights: H1 2026

Revenue	**£491.3m** 4.2% vs H1 2025 (£471.3m)
EBITDA(2)	**£39.9m** vs £39.7m H1 2025
Cash	**£84.3m** as at 30 June 2026

Travelodge UK LFL RevPAR(1)

- £52.42
- 0.1% vs 2025
- **Growth vs MSE**
  0.1pts vs 2025

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 H1 2025 (1 Jan 2026 to 01 Jul 2026 vs. H1 2025 (2 Jan 2025 to 2 Jul 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.

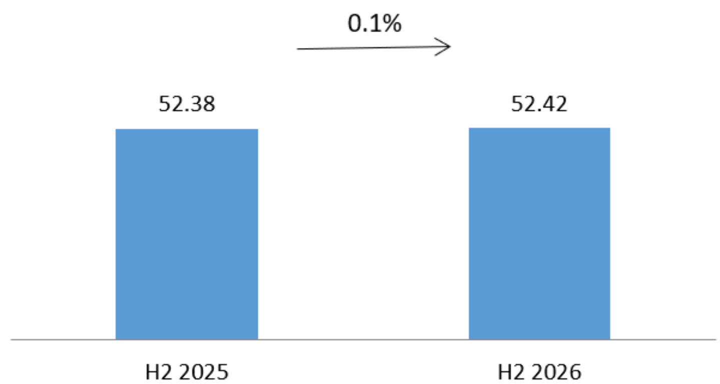
H1 2026 Results

H1 Operating Metrics

Solid leisure demand, boosted by events, helped mitigate the continued softness in corporate demand

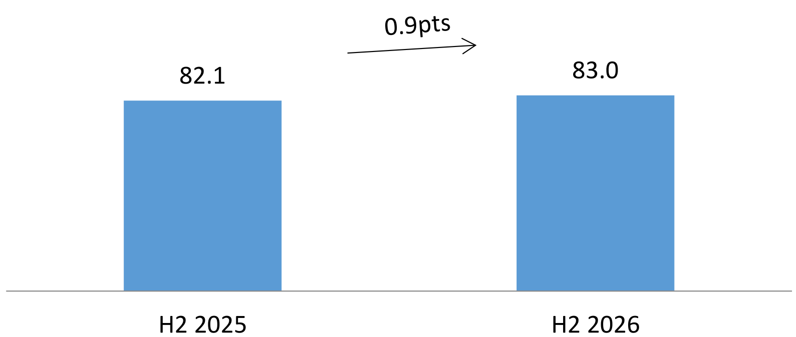
Performing slightly ahead of the competitive segment with good occupancy growth

LFL[1] RevPAR (£)[2]

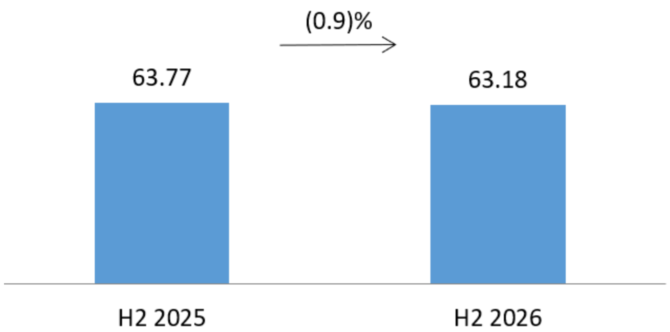


H1 RevPAR Performance

LFL[1] Occupancy (%)[2]



LFL[1] ADR (£)[2]



H1 2026 vs. Q1 2025

- **RevPAR:** like-for-like UK RevPAR up 0.1%
- Good leisure demand, particularly in London, benefiting from strong events programme
- Corporate demand relatively softer, particularly in London
- **RevPAR vs Market:** performance 0.1% points ahead of the MSE segment
- **Occupancy:** increased 0.9pts to 83.0%, c. 7pts ahead of competitive segment
- **ADR: down** (0.9)% to £63.18

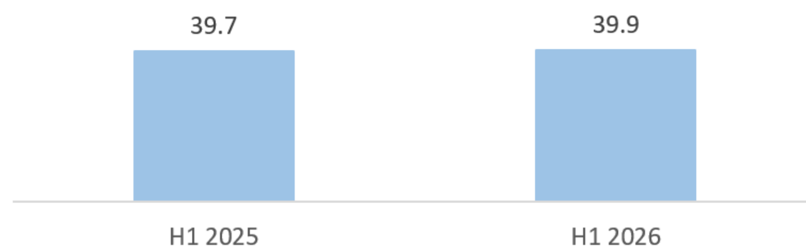
1. RevPAR is computed as the product of the Average Daily Rate for a specified period multiplied by the Occupancy for that period. Like-for-like (LFL) RevPAR compares the RevPAR in H1 2026 vs. H1 2025 on the basis of RevPAR generated by hotels in the UK that were opened before 1 January 2025.
2. Revenue 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 Jul 2026, 2 Jan 2025 to 2 Jul 2025.

H1 2026 Financial Results

Solid performance in line with expectations

Revenue[1] (£m)

EBITDA[2] (£m)



H1 2026 vs. H1 2025

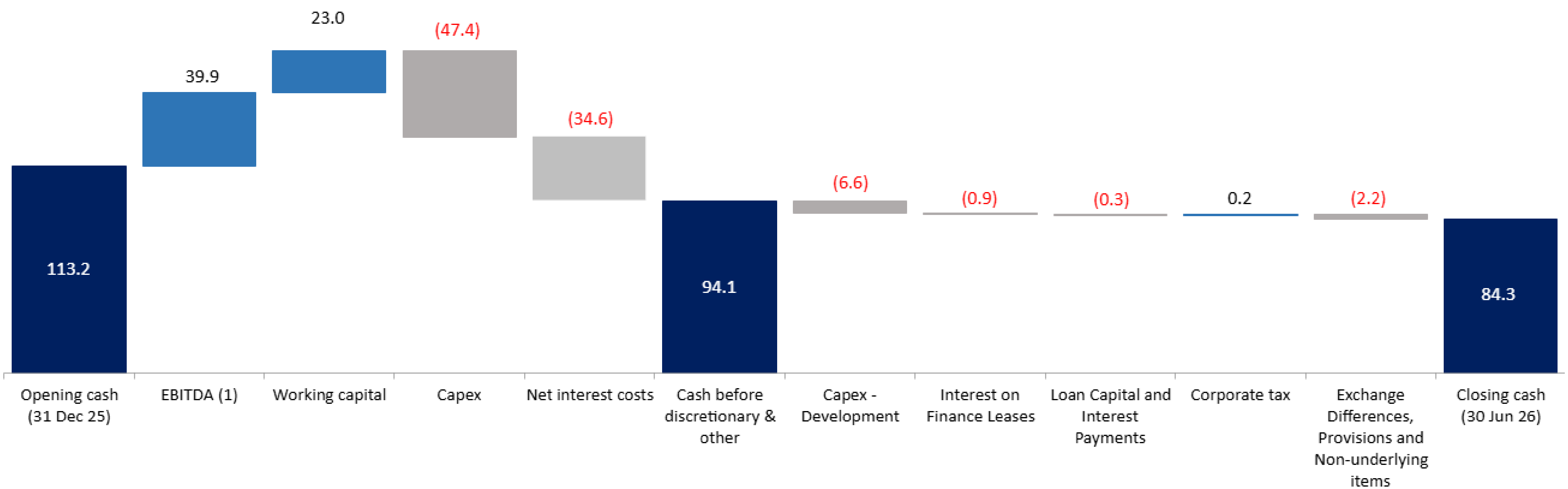
- **Revenue** 4.2% growth in H1 driven by:
  - UK LfL RevPAR 0.1% ahead of 2025 levels, with good occupancy growth offsetting weaker rate environment in line with market trading conditions
  - Performing slightly ahead of the MSE market segment in both London and Regions
  - Positive contribution from new & maturing hotels
  - Further growth in total F&B revenue of c.8% (inc. new & maturing hotels), benefitting from proposition upgrades
  - Spain revenue growth of c. 22%

- **EBITDA** slightly up, reflecting solid trading performance offsetting higher costs including c. £18m of inflationary cost increases (primarily NLW, NIC's and rent reviews)
  - Including c. £4m increase from business rates, c. £6m from annualisation of 2025 NLW increase of c. 7% and NIC's, and 2026 NLW increase of c. 4%
  - Continued disciplined cost control and focus on cost efficiencies
  - Good performance in Spain with EBITDA up £2.1m (H1 2026: £6.9m) and EBITDA margins of c. 34%

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*

H1 2026 Cash Flow

Strong free cash flow with continued investments in our core estate



- Free cash inflow £15.5m 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

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

Solid liquidity position

Debt (£m)

£m	30-Jun-26
Cash and Cash Equivalents	**84.3**
Revolving credit facility	-
Senior secured fixed rate bond	415.0
Senior secured floating rate bond (EUR)	206.0
Senior Secured Debt	**621.0**
Finance leases	14.7
Total Third Party Indebtedness	**635.7**
Net Third Party Indebtedness	**551.4**

Liquidity / Financial Ratios

- **Cash on balance sheet:** £84.3m at 30 June 2026
- S&P credit rating of B-, negative outlook (June 2026)
- Moody's credit rating of Caa1, stable outlook (June 2026)
- £415m GBP senior secured fixed rate bond 10.25% (due April 2028)
- €250m EUR senior secured floating rate bond EURIBOR + 375bps (due June 2030)
- £50m RCF: currently undrawn (due October 2027)
- Letter of credit facility: £30m (£13.1m in issue but not called upon as of 30 June 2026)
- Net third party debt ratio 3.4x[1]
- Continue to keep liquidity position (£107m as at 12 August) and capital structure under review
- We continuously review our capital structure in light of our business objectives and liquidity requirements, with many options available. We are aware of the interest in our plans regarding upcoming maturities and we remain confident that sufficient optionality exists to address that debt when required

Note:
1. Before IFRS16 net third party indebtedness divided by June 26 LTM EBITDA

Current Trading

Current Trading

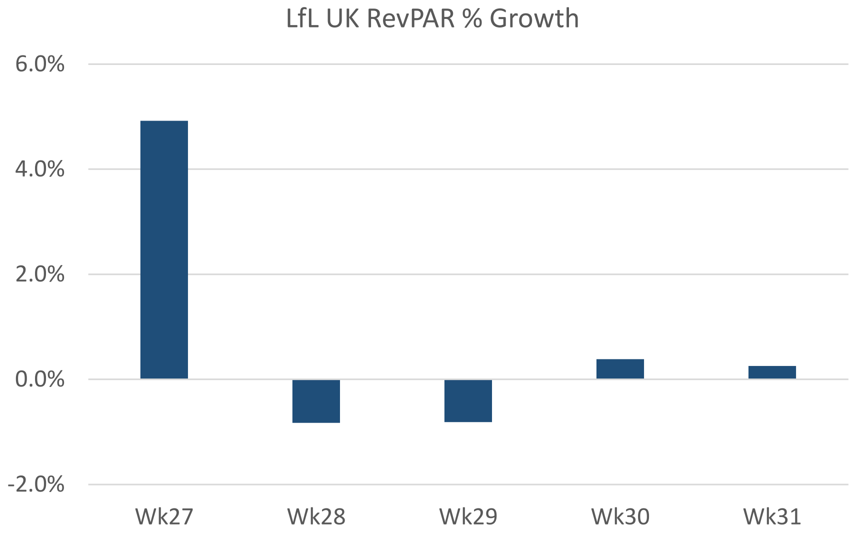
Q3 trading in line with expectations

- Modest (c. 1%) LfL UK RevPAR growth in Q3 to date, performing in line with the competitive segment YTD

- Total revenue c. 3% ahead of 2025[1], supported by contribution from new & maturing hotels and strong performance in Spain

  - **London**: strong performance in first week of the quarter, driven by events, with trading in subsequent weeks slightly below 2025 levels
  - **Regions**: occupancy ahead of 2025 levels, offset by modest decline in rate
  - **Spain**: business continues to perform well, with revenues c. 20% ahead of 2025
  - Strong leisure demand while corporate demand remains softer

- Booked revenue in line with 2025 levels, reflecting the phasing of long lead event demand weighted towards Q3 in 2025
- Forward visibility remains limited in line with normal trading patterns
- Mindful of the macroeconomic and political uncertainties impact on consumer and business demand



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

1. Q3 to date: 2 July 2026 to 12 August 2026 vs 3 July 2025 to 13 August 2025

Strategy Update
&
Outlook

Upgraded customer proposition

Well progressed successful refit programme, increased range of room types

Studio room

SuperRoom v 2.5

- Refit of estate to next-generation rooms, re-designed reception and upgraded bar café well progressed – over 75% of the room estate upgraded to new look and feel
- Positive impact on customer quality metrics
  - 329 hotels received a Tripadvisor Traveller's Choice Award
  - > 96% of hotels rated 4 dot or higher on TripAdvisor
- Redesigned "SuperRoom" premium room with additional features being rolled out as part of future refit programme
- Trialling new Studio room, offering customers more space and flexibility

- 117 bar cafes upgraded as part of refit programme
- Delivering positive commercial and customer benefits with increased revenues
- Supported by ePOS system replacement, adding new functionality and enhanced capability to over 220 hotels with a bar café
- Supported by menu upgrades

Increasing room rates and ancillary offering

Building on our broad range of room rates and alternative room types

Standard Room

Comfy King size bed · Ensuite with bath

✓ Cosy duvet and 4 pillows ✓ Tea and coffee
✓ Freeview TV ✓ Desk ✓ Blackout curtains
Find out more

Lowest Rate Non amendable. Non refundable.	£52.99
Semi-Flex Rate Dates can be amended subject to availability and a £12.50 change fee, up until noon on Thursday 22 October. Non refundable.	£55.99
Flexible Rate Amendable and fully refundable, up until noon on Thursday 22 October.	£59.99

NEW **Choose your room**

Now you can choose the exact room you'll be staying in – from our interactive floorplan. Fancy a great view? Prefer to be close to the lift? Or maybe you just want to be at the end of the corridor – it's up to you.

£ [redacted]

Choose your room

It's first come, first served, so the earlier you choose, the more options you'll have.
If you don't pick your room before you arrive, we'll allocate one for you when you check-in at the hotel.

Broad range of room rates
- New semi-flex rate - offering customers the option to amend for a small fee
- Alternative to established fully flexible and saver rate

Increasing range of ancillaries
- Including F&B, early check-in and late check-out
- Choose Your Room
  - Opportunity for the customers to choose the exact room they stay in
  - Rolled out across the estate, positive results

Range of payment options
- Including Buy now, pay later, providing flexibility and the ability to split cost over time

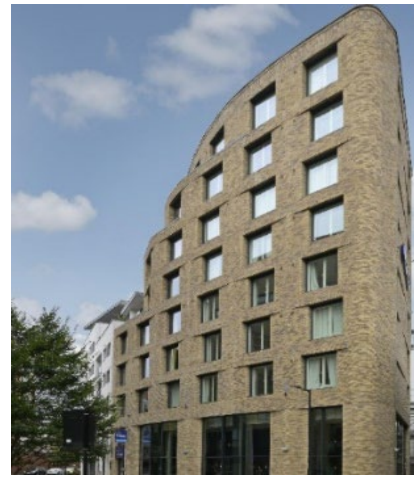
Mobile app
- Available and optimised within new mobile app launched in 2025, positive customer feedback

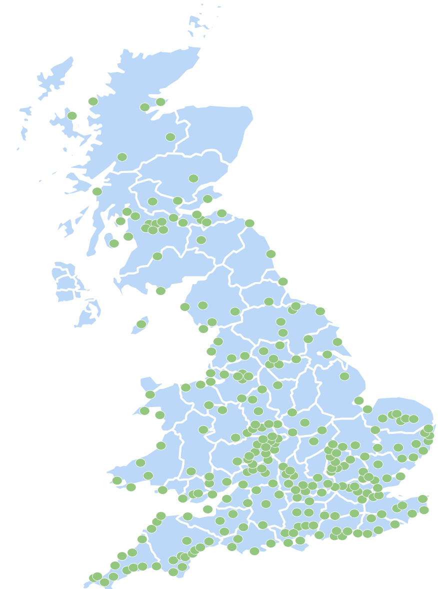
Development

Steady development progress

UK

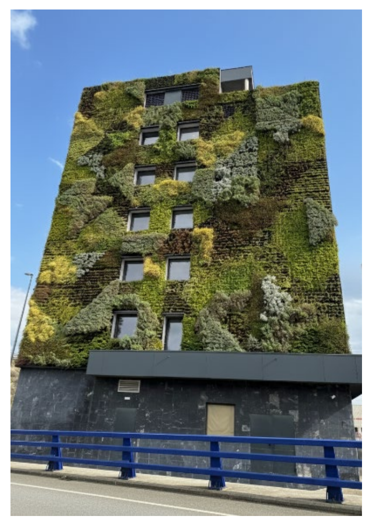
- Significant development opportunity in the undersupplied UK budget hotel market with 300 target locations identified via comprehensive white space review
- **Two new leasehold** hotels opened to date, fewer than typical historic levels and reflective of real estate market challenges, impacted by high construction costs, planning timeframes and financing availability
- Planning permission granted for change of use development opportunity at St Paul's and planning progressing for Liverpool Street.
- Expecting to open at four leasehold hotels in 2026

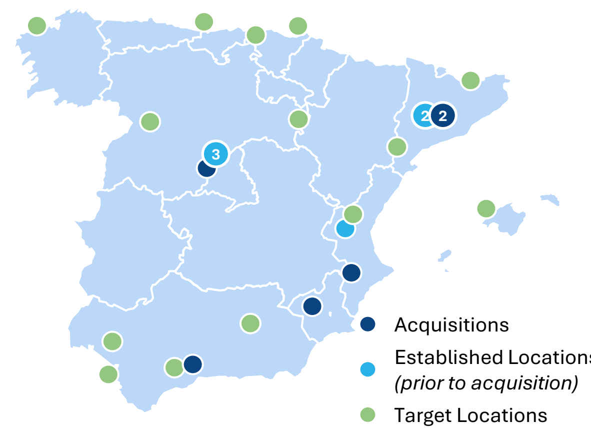




Spain

- Attractive market with strong business and leisure demand and low penetration of budget branded hotels
- Potential for an additional 15,000 branded rooms in the budget segment within the next five years. Targets in 20 key markets across Spain
- New build hotel deals signed in San Sebastian, Cadiz and Alicante, with typical development timeframes of c. 3 years, growing pipeline of opportunities
- Exchanged contracts in 2025 for two freehold acquisitions. Bilbao opened in April 2026, and Madrid expected to open in 2027





2026 Financial Outlook

Disciplined cost control and prudent cash management; mindful of market uncertainty

Revenue:
Booked revenue in line with 2025, with long lead event demand weighted towards Q3 in 2025. Forward visibility remains limited, as usual.

Mindful of the macroeconomic and political uncertainties impact 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

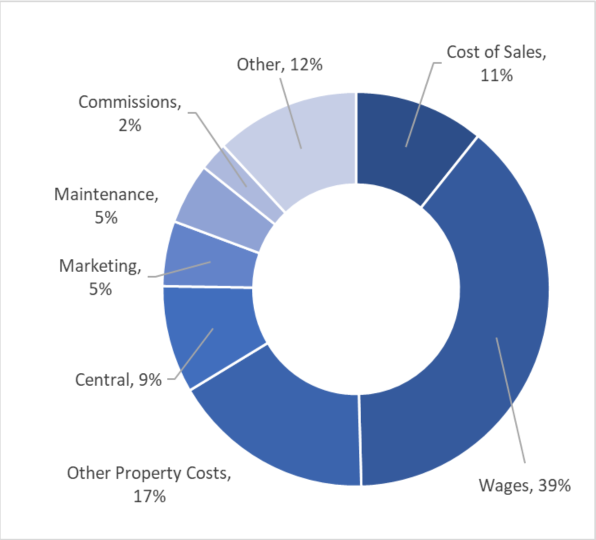
Overall, we expect gross cost inflation of 6% - 7.5%, partially mitigated by our ongoing efficiency programme, expected net cost inflation of 5% - 6.5% excluding new hotels

- 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 in 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 Act 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), with full investment maintained in maintenance, health & safety and other core estate requirements
- Includes approximately £40m allocated to refit in 2026
- Will continue to review overall spend in line with trading conditions, balancing growth ambitions with solid cash generation

Operating cost base excluding rent



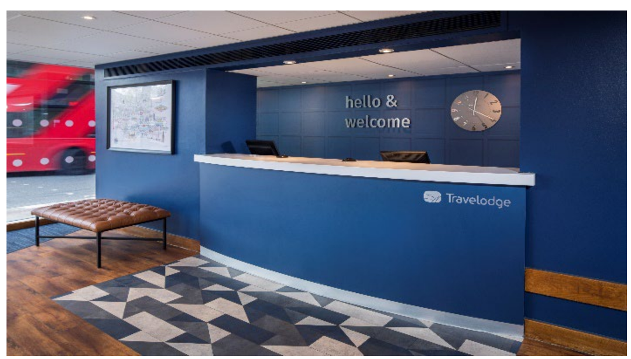
As of 31-Dec-25

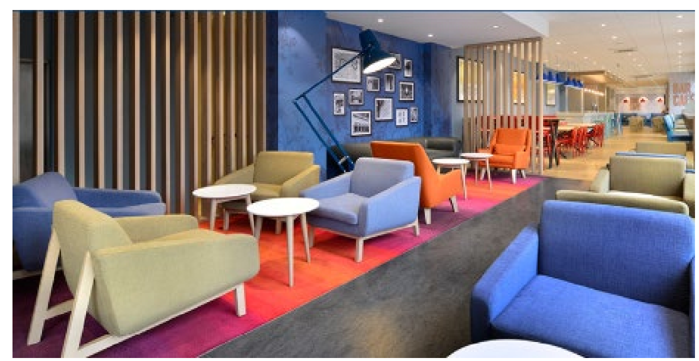
Summary

Summary

Well-positioned for medium-term growth, short-term uncertainty remains

- Solid H1 performance despite challenging market backdrop, supported by good leisure demand and strong event activity
- Costs in line with expectations, disciplined cost control helping to mitigate inflationary and regulatory cost increases
- Strong performance in Spain delivering double digit growth across revenue, profit and margins
- Investing in the business; continued focus on maintenance and health & safety, and strategic investments to support growth, quality and efficiencies
- Steady development progress with a diversified development pipeline of opportunities in UK and Spain
- Prudent cash management with a solid liquidity position, balancing investments in core estate with growth ambitions
- Mindful of the impact from macroeconomic and political 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 75% 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 632 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 Groups[3]
- Employs c.13,000 people across all hotels and support offices[1]

Where We Are

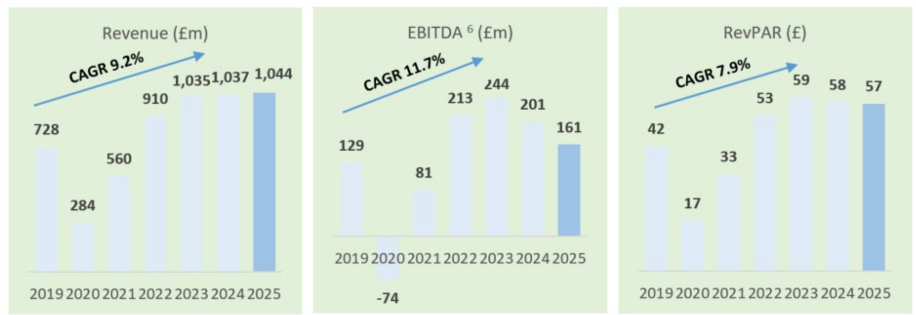
United Kingdom		International	
London	• 88 Hotels • 10,698 Rooms • 22% of total Rooms	**Spain**	• 13 Hotels • 1,577 Rooms • 3% of total Rooms
Regions[4]	• 520 Hotels • 35,794 Rooms • 73% of total Rooms	**Ireland[5]**	• 11 Hotels • 1,226 Rooms • 2% of total Rooms

Travelodge

Key Operating Statistics[1]

632 *Hotels*	**49,190** *Rooms*	**22m** *Customers*
84.0% *Occupancy[2]*	**£67.88** *ADR[2]*	**£1bn** *Revenue* / **£161m** *EBITDA[6]*

Recent Performance



Note: (1) As of 31-Dec-25 (Hotels and Rooms as of 01Jul-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 Republic of Island and Northern 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