

Berlin, 5. March 2019

Five million overnight stays and 2.2 million guests

2018 was in many ways an exciting year for the Berlin-based budget group: In addition to new openings in Prague and Frankfurt, a&o has also acquired real estate in Poland, Hungary, and Spain for the first time to significantly push its European expansion forwards. This is rounded off by the rollout of an extensive brand and design relaunch and the opening of the group's own art gallery in Leipzig. The company registered around five million overnight stays and revenue increased by approx. 15 per cent.



Oliver Winter, Founder and CEO a&o

Berlin – “Five million overnight stays and revenues just short of 152 million euro – we’ve exceeded our own expectations”, sums up CEO Oliver Winter, after an “eventful year, which placed great demands on our entire team”. Last year saw the relaunch of the brand, rollout of the new design concept, two new openings, and initial securing of locations in Poland, Hungary, and Spain. And last but not least: “Our customer satisfaction improved by 2 per cent – which I find very inspiring!”

Currently, a&o operates 35 locations and 26,000 beds in 21 cities and six countries – of which 25 properties in Germany alone – with an occupancy rate of 66 per cent on average. Since the company's founding in 2000, a&o grew to become the leading chain of hostels in Europe. And the objectives for the coming years have been set as well: “We want to achieve continued growth with a&o in large European cities”. Since 2017, a&o has been under the ownership of American investor TPG Real Estate. The company is, still managed by its founder, 18 years after its formation.

a&o's expansion: focus on Eastern and Southern Europe

With its second location in Venice (also the second in Copenhagen in 2020), and entries into the Warsaw and Budapest markets slated for autumn/winter, a&o is following a clearly set out European course of expansion this year. With the group's first acquisition of real estate in Barcelona at the end of 2018, a&o managed the leap onto the Iberian Peninsula. Oliver Winter: “Our product is successful – not only with our guests! a&o manages to transform rather unattractive existing properties into modern hostels which are a real addition to the entire neighbourhood.” The former factory in the southern part of Barcelona was vacant for ten years before a&o purchased the property last autumn. The new opening

in the Hospitalet district is scheduled for 2020/21. “We can create valuable assets out of virtually any piece of real estate! “, explains Winter.

Group, solo, and business travellers: a clear diversification of guests

With 125,000 families, 13,000 class trips, and 7,000 further groups of nine or more people, group travel continues to make up the largest share of guests in 2018. All the same: a&o is an increasingly attractive and smart alternative for business, solo, and senior travellers, with overnight rates from 12 euro, central locations, comfort, and quality. Oliver Winter: “The numbers show that our offer is on the right track, always staying true to our two mottos: ‘everyone can travel’ and ‘best value for money’”.

Architecture and design relaunch until 2020

Together with Vienna-based BWM Architekten, a&o has developed a modular architecture and design system which combines the existing high recognition value of the brand with new accents. Muted colours on a black-and-white basis with natural shades in the spaces meet brightly coloured moving elements – “a&o has grown up, which is of course also reflected in the design concept”. The lobby serves as a shared space to play, meet, and work with modern seating areas, a library, working tables, and a Kids’ Corner for the youngest guests. New signage and corporate graphic elements on the floors, for the bar and the reception, as well as on the facades with the new blue/white logo are integral parts of this concept, as are the redesigned rooms, which now have bunk beds specially designed for a&o.

Fun recreational activities – in the form of mini football arenas, e-gaming lounges, tabletop tennis, and massive tabletop football tables – round off the offer.

a&o grows – and the team grows along

Michael Mücke, the former COO of Accor, has joined the Board of a&o to bring further budget hotel expertise to the table.

Outlook

The future is digital – and that’s why a&o now has two in-house e-labs in Berlin & Pristina. Here, developers work on the projects of tomorrow to make travelling even easier and more comfortable: mobile check-in, mobile key, and voice search technology, as well as AI-supported advertisement distribution, are the major projects which are already actively tested and will surely hold a lot in store for 2019.

About a&o Hostels

Founded in 2000, a&o currently operates 35 hostels in 21 cities and six countries (Germany, Austria, the Netherlands, the Czech Republic, Denmark, and Italy). In 2019, new openings are planned in Budapest, Warsaw, and Copenhagen. Europe’s largest hostel chain is growing at over 15 per cent each year. With around 24,000 beds and more than four million overnight stays in 2017, a&o realised a turnover of around 134 million euro.

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