

Amadeus Jan-Jun 2019 Results

July 31, 2019



Disclaimer

- _ This presentation may contain certain statements which are not purely historical facts, including statements about anticipated or expected future revenue and earnings growth. Any forward-looking statements in this presentation are based upon information available to Amadeus on the date of this presentation. Any forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements. Amadeus undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.
- _ This presentation has to be accompanied by a verbal explanation. A simple reading of this presentation without the appropriate verbal explanation could give rise to a partial or incorrect understanding.



Operating Review

Luis Maroto

President & CEO

H1 2019

Revenue +14.4%¹

- TravelClick acquisition
- Positive FX impact

EBITDA +10.7%¹

- Negative FX impact on costs
- Positive FX impact on EBITDA

Adjusted profit +9.9%¹

- Adjusted EPS +9.5%¹

Free Cash Flow² (2.0%)

- +9.4%² increase pre-tax

Leverage 1.37x



■ Revenue ■ Adj. profit
■ EBITDA ■ Free CF



1. Adjusted to exclude TravelClick's acquisition related costs (€3.7 million) and PPA effects (a reduction in revenue and in operating expenses of €7.0 million and €1.7 million, respectively) which together have had a negative impact of: €7.0 million on revenue, €9.0 million on EBITDA, €2.8 million on adjusted profit and €0.01 on adjusted EPS. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.

2. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs amounting to €9.7 million, paid in H1 2019. For full details on TravelClick's acquisition and impacts, please see section 3.1 of Jan-Jun 2019 Management Review.

Recent business highlights

Airline Distribution

- Renewed / signed 5 **content agreements** in Q2 2019.
- Customers of our **merchandizing solutions** for the indirect channel continued to expand.
 - Amadeus Airline Ancillary Services – 156 contracted airlines.
 - Amadeus Airline Fare Families – 89 contracted airlines.
- Driving NDC forward - **Amadeus Travel API** - an NDC-enabled solution providing travel agencies worldwide access to airline content and fares via an NDC connectivity alongside content from traditional technology.

Airport IT

- **Skyserv** (Greece), implemented Altéa Departure Control System for Ground Handlers for its 37 airports.
- **Heydar Aliyev International Airport** in Baku (Azerbaijan) became the world's first fully cloud-based airport by implementing Amadeus' Airport Common Use Service (ACUS) and Airport Operational Database (AODB).
- North America customer expansion - **Eagle County Airport** (Colorado), **Kelowna International Airport** (Canada), **South Bend International Airport** (Indiana), **Santa Barbara Airport** (California) and **Daytona International Airport** (Florida).
- Completion of the ICM acquisition.

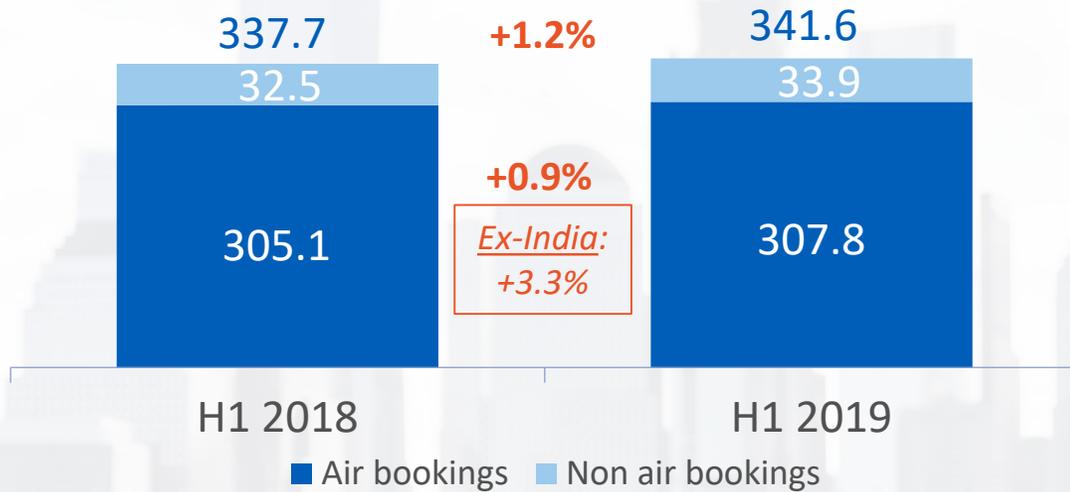
Airline IT

- **Azerbaijan Airlines** contracted for the full Altéa suite and Amadeus Revenue Management solutions.
- Moldavian low cost airline **Flyone** signed for New Skies.
- **Bangkok Airways** and **Flybe** have now implemented the Altéa Suite and Sun Country migrated to New Skies.
- **LATAM Airlines Group** signed for two Amadeus Sky Suite by Optym components.
- **Alaska Airlines** selected Amadeus as its revenue management partner.
- To support its evolving digital transformation, **Cathay Pacific** contracted for Amadeus Altéa NDC.

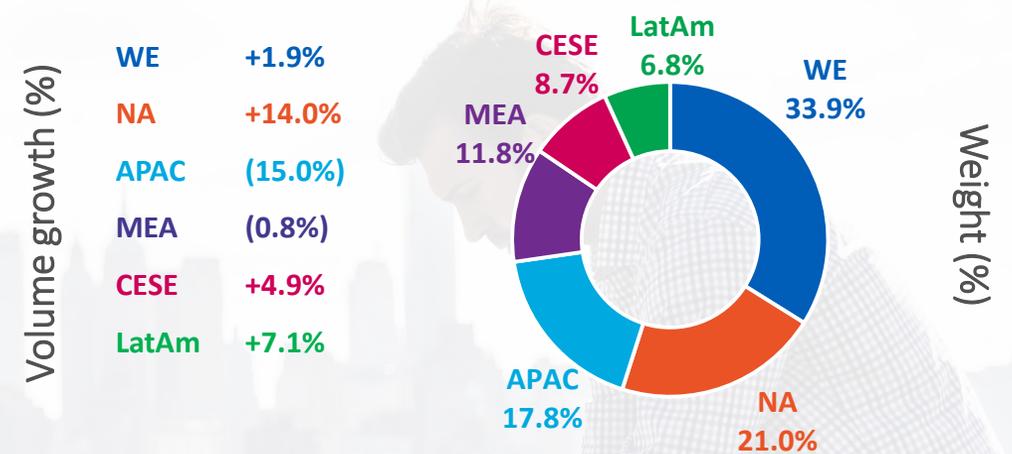
Payments

- Amadeus **B2B Wallet Partner Pay** - in partnership with Elavon and Mastercard - an extension of Amadeus' B2B Wallet - allows agencies to pay using an airline branded virtual card reducing the cost of payments.

Amadeus TA bookings (millions)

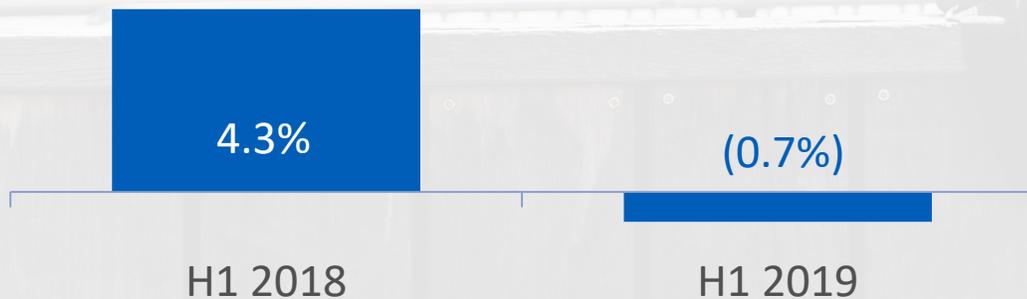


Amadeus TA air bookings by region



Region	Volume growth (%)
WE	+1.9%
NA	+14.0%
APAC	(15.0%)
MEA	(0.8%)
CESE	+4.9%
LatAm	+7.1%

TA air booking industry growth¹

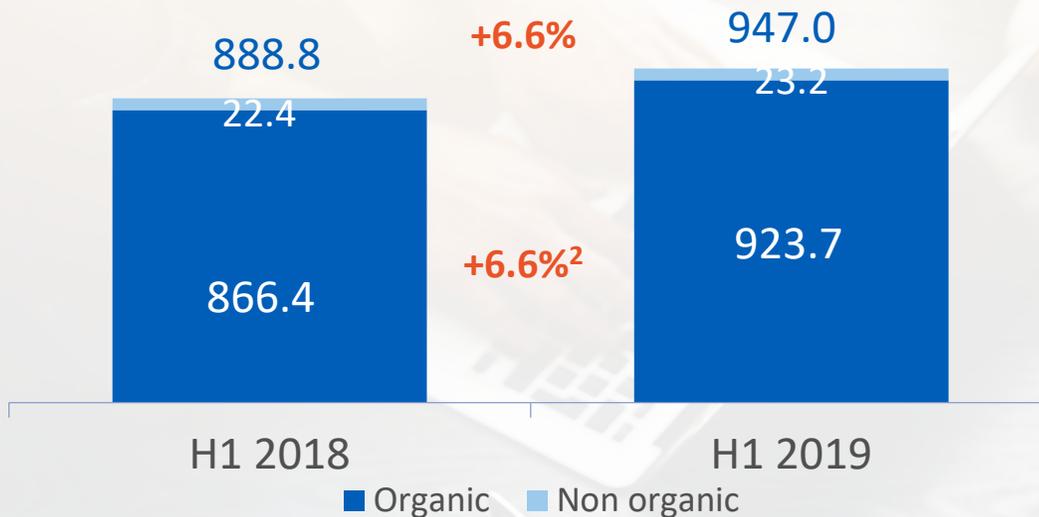


Competitive position¹

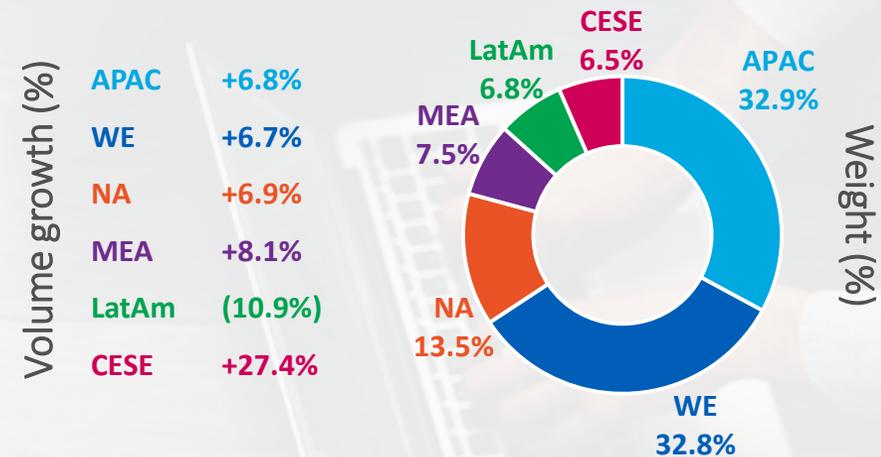


1. When we refer to our competitive position, we take into account our travel agency air bookings in relation to the travel agency air booking industry, defined as the total volume of travel agency air bookings processed by the three major global reservation systems (Amadeus, Sabre and Travelport). It excludes air bookings made directly through airlines' direct distribution channels (airline offices and websites), single country operators (primarily in China, Japan, Russia and Turkey), other content aggregators and direct connect applications between airline systems, travel agencies, corporations and meta-bookers, which together combined represent an important part of the industry.

Passengers Boarded¹ (millions)



Amadeus PB¹ by region



- At the end of June 2019, 218³ customers had contracted for Altéa or New Skies, of which 210 had been migrated.
- 6.6% PB growth driven by:
 - 6.6%² organic growth.
 - Customer implementations (including S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar in 2018, and Philippine Airlines and Flybe in 2019).
 - De-migration of LATAM Airlines Brasil from our platform during the second quarter of 2018.
 - Ceasing of operations of Germania and bmi Regional, both in February 2019. Suspension of operations of Avianca Brasil and Avianca Argentina in May 2019 and June 2019, respectively.

1. Passengers Boarded (“PB”) refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated customers.
 2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.
 3. Customers that have contracted at least the Altéa Inventory module, in addition to the Reservations module, or Navitaire’s New Skies solution.

Financial highlights

Ana de Pro
CFO



Revenue growth by segment¹

Group revenue (€ millions)

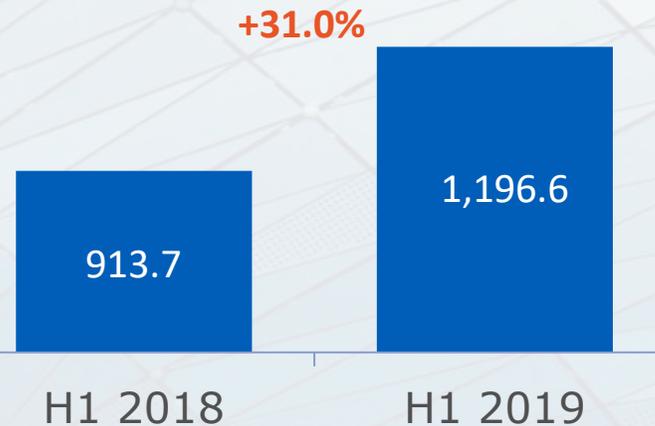


Segment revenue (€ millions)

Distribution



IT Solutions



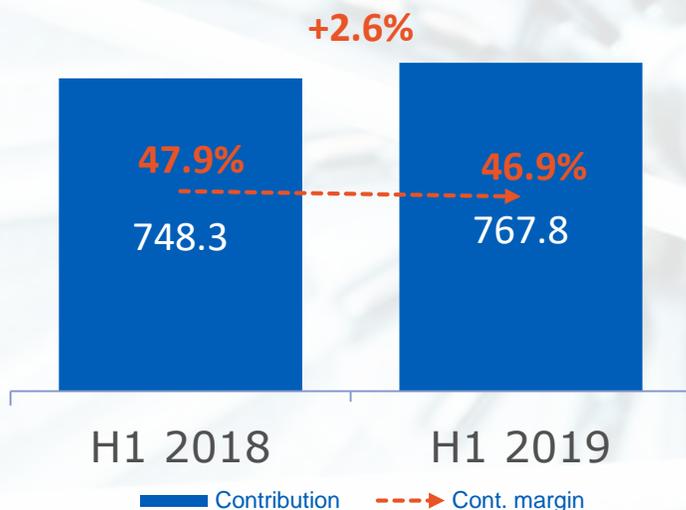
- **Group revenue** expanded by 14.4%, driven by the positive performances of our Distribution and IT Solutions segments. Per segment, Distribution revenue grew 4.7% and IT Solutions grew 31.0%. Revenue growth was positively impacted by FX.
- **Distribution**: volume growth and an expansive revenue per booking, driven by (i) booking mix (increasing weight of global bookings) and (ii) customer renegotiations.
- **IT Solutions**: (i) PB volume expansion coupled with an increase in Airline IT unitary revenue, (ii) double-digit growth rate of our new businesses and (iii) the TravelClick consolidation impact.

1. The figures in this slide have been adjusted to exclude TravelClick's related PPA effects, which have had a negative impact of €7.0 million on IT Solutions and Group revenue. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.

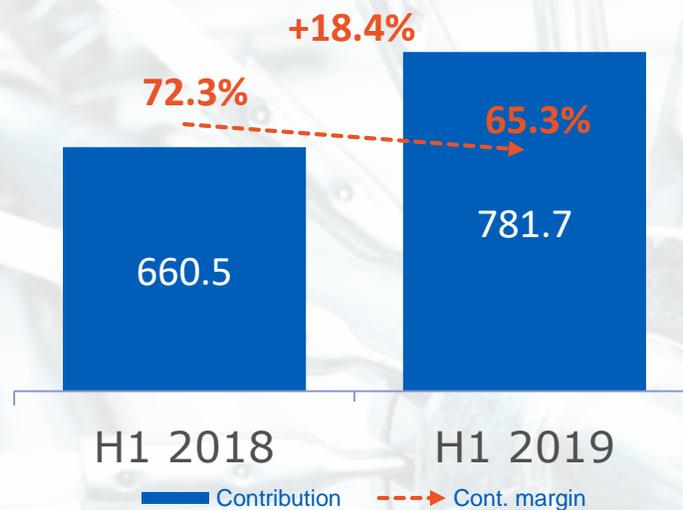
Contribution growth across segments¹

Segment contribution (€ millions)

Distribution



IT Solutions



- **Distribution:** margin dilution mainly driven by a unitary distribution cost expansion, resulting from competitive pressure.
- **IT Solutions:** margin dilution mostly resulting from TravelClick's consolidation and double-digit growth of new businesses (exc. TC).
- **Indirect costs:** grew 7.7%, resulting from (i) higher resources in corporate functions to support our overall business expansion, (ii) TravelClick's consolidation effect and (iii) a negative FX impact.

Net indirect costs (€ millions)



1. The figures in this slide have been adjusted to exclude TravelClick's acquisition related costs (€3.7 million) and PPA effects (a reduction in IT Solutions revenue and Group operating expenses of €7.0 million and €1.7 million, respectively), which together have had a negative impact of €7.4 million and €1.6 million on IT Solutions contribution and Net indirect costs, respectively. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.

EBITDA and Adjusted EPS growth¹

EBITDA (€ millions)

Adj. Profit² (€ millions) & Adj. EPS³ (€)



EBITDA growth resulting from:

- Distribution and IT Solutions positive performance
- TravelClick consolidation
- Positive FX effect

EBITDA margin evolution impacted by TravelClick’s consolidation.

Adjusted profit increase as a result of EBITDA growth, partly offset by D&A growth and higher financial and tax expense.

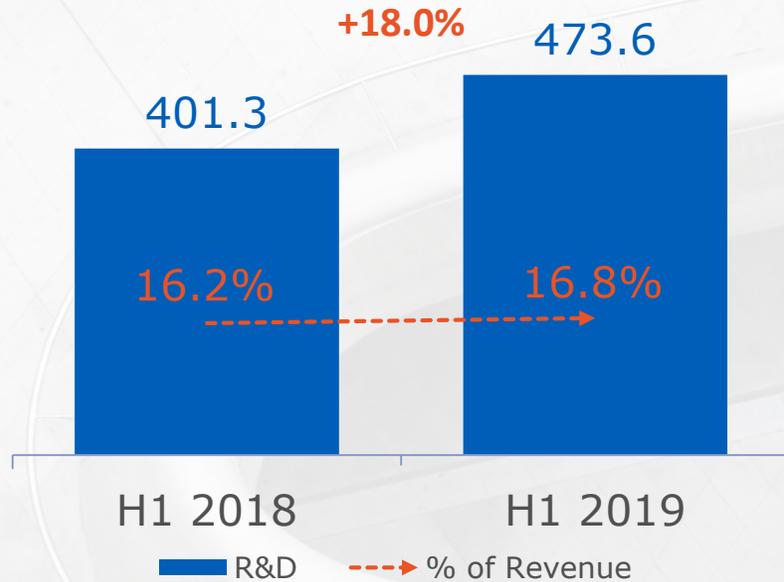
1. The figures in this slide have been adjusted to exclude TravelClick’s acquisition related costs (€3.7 million) and PPA effects (a reduction in revenue and in operating expenses of €7.0 million and €1.7 million, respectively), which together have had a negative impact of: €9.0 million on EBITDA, €2.8 million on adjusted profit and €0.01 on adjusted EPS. For full details on TravelClick’s acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.

2. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

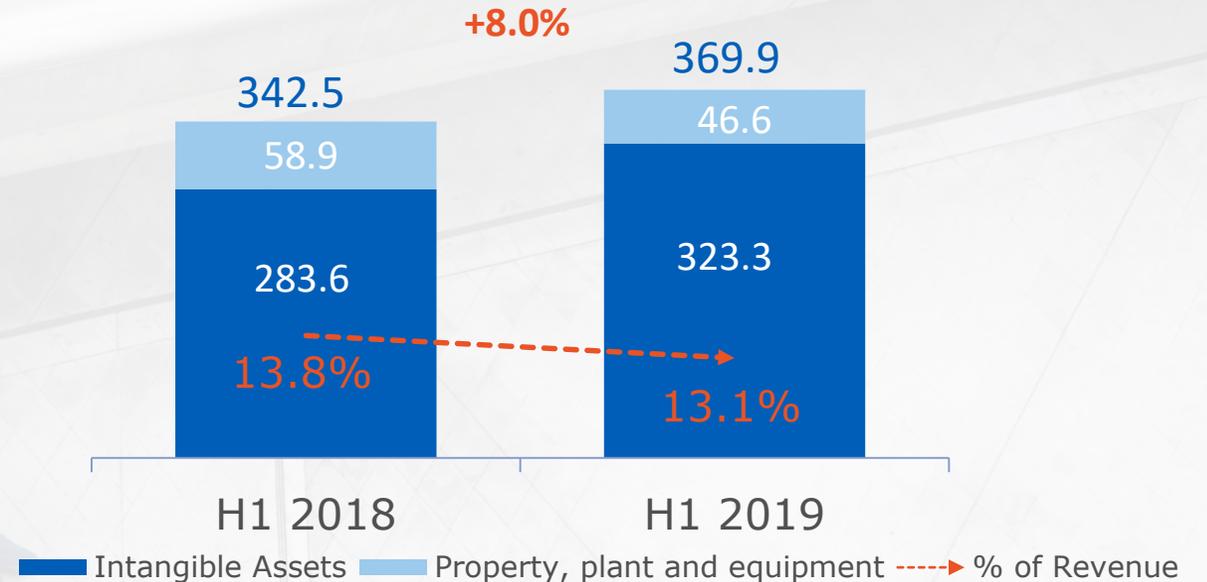
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Investment in R&D and Capex

R&D investment¹ (€ millions)



Capex (€ millions)



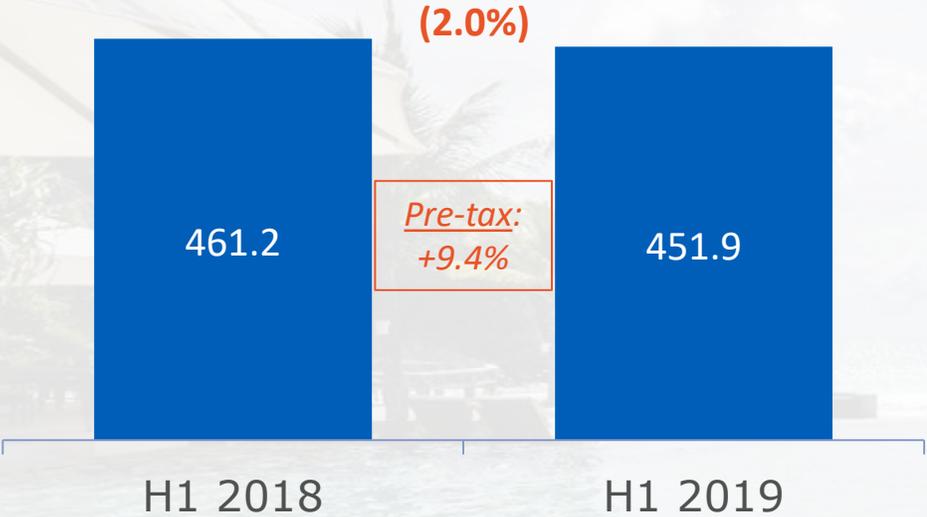
- R&D investment related to: (i) product portfolio expansion and evolution, (ii) customer implementations, and (iii) cross-area technological projects.
- R&D investment represented 16.8% of revenue.

- Increase in capex in intangible assets, resulting from higher software capitalizations, signing bonuses paid and TravelClick's consolidation.
- Capex represented 13.1% of revenue.

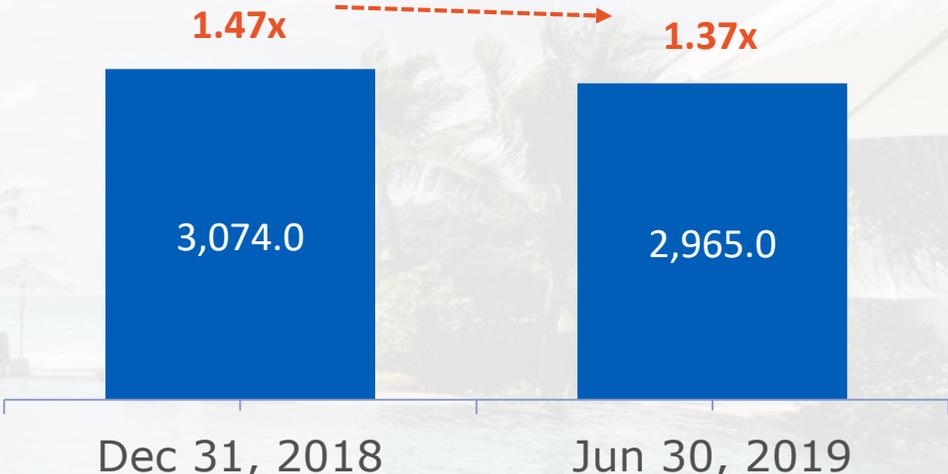
1. Net of research tax credit.

Free cash flow generation and leverage

Free cash flow¹ (€ millions)



Net debt (€ millions) and leverage (x)²



- Free cash flow generation, impacted by an increase in taxes paid in Q1 2019.
- +9.4% pre-tax free cash flow growth, resulting from EBITDA growth, partly offset by higher capex, interests and working capital outflow.

- Net debt decrease mainly resulting from free cash flow generation, partially offset by the 2018 interim dividend payment and the acquisition of ICM.

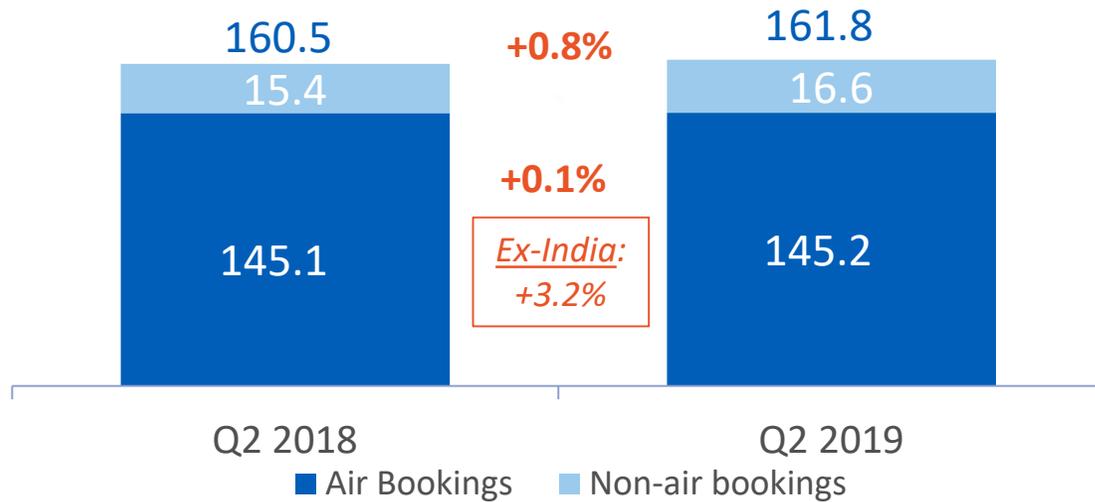
1. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid. Adjusted to exclude TravelClick's acquisition related costs amounting to €9.7 million, paid in H1 2019. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.
 2. Based on our credit facility agreements' definition. Leverage calculated as net financial debt divided by LTM EBITDA.

Support materials

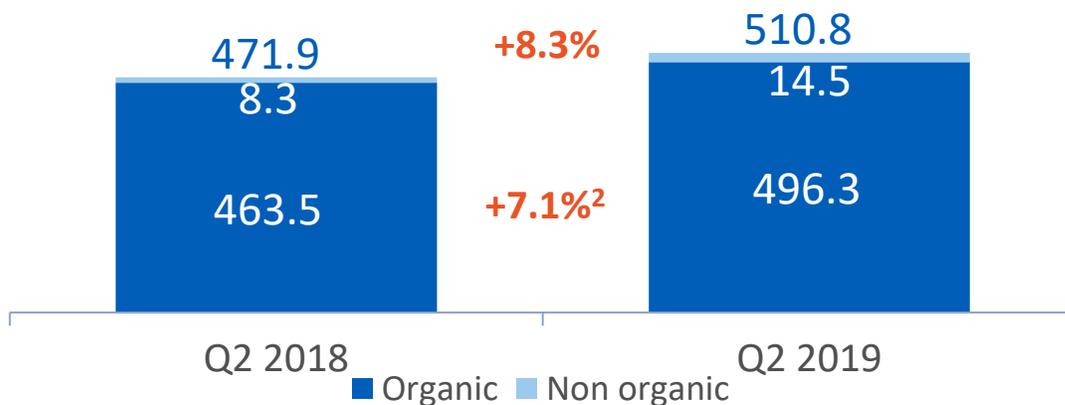


Q2 Volumes

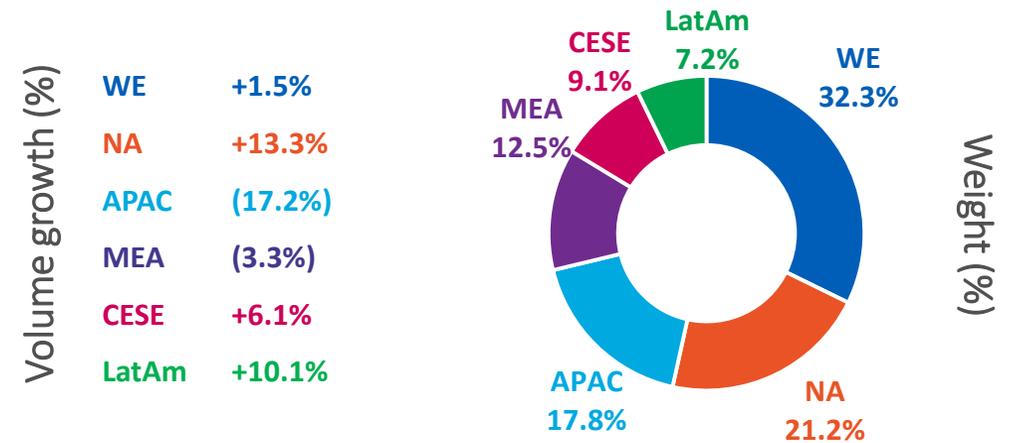
Amadeus TA Bookings (in millions)



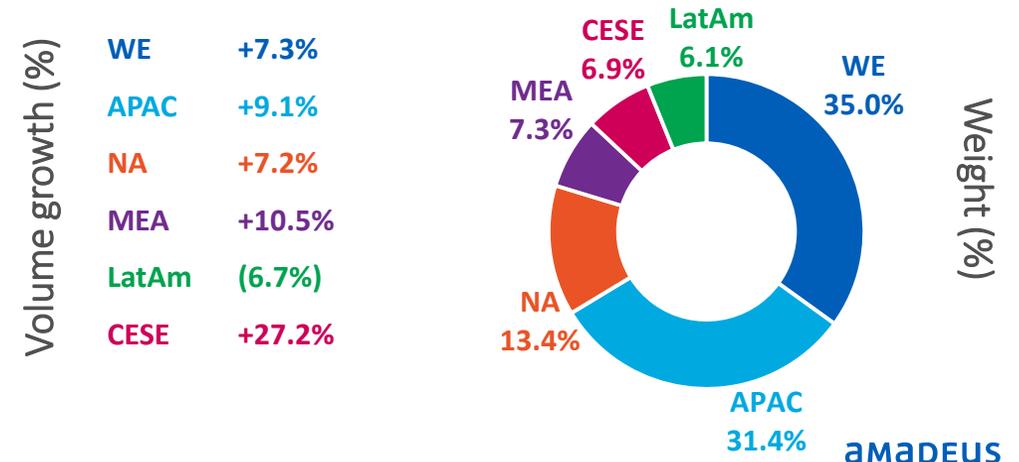
Passengers Boarded¹ (in millions)



Amadeus TA Air Bookings by region



Amadeus PB¹ by region



1. Passengers Boarded ("PB") refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated airlines.
 2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

Q2 revenue by segment¹

Group revenue (€ millions)



Segment revenue (€ millions)

Distribution



IT Solutions



- **Group revenue** expanded by 14.2%, driven by the positive performances of our Distribution and IT Solutions segments. Per segment, Distribution revenue grew 3.8% and IT Solutions grew 30.8%. Revenue growth was positively impacted by FX.
- **Distribution**: volume growth and an expansive revenue per booking, driven by (i) booking mix (increasing weight of global bookings) and (ii) customer renegotiations.
- **IT Solutions**: airline IT healthy growth, on the back of PB volume expansion, new businesses double-digit growth rate and TravelClick's consolidation effect.

1. The figures in this slide have been adjusted to exclude TravelClick's related PPA effects, which have had a negative impact of €3.1 million on IT Solutions and Group revenue in Q2 2019. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.

Key Performance Indicators¹

	H1 2019	H1 2018	Change
Amadeus TA air bookings (m)	307.8	305.1	0.9%
Passengers Boarded (m)	947.0	888.8	6.6%
Revenue (€m)	2,833.6	2,477.0	14.4%
EBITDA (€m)	1,193.4	1,078.2	10.7%
Adjusted profit (€m)	666.7	606.8	9.9%
Adjusted EPS (€)	1.55	1.41	9.5%
Free Cash Flow (€m)	451.9	461.2	(2.0%)

1. The figures in this slide have been adjusted to exclude TravelClick's acquisition related costs and PPA effects, which together have had a negative impact of: €7.0 million on revenue, €9.0 million on EBITDA, €2.8 million on adjusted profit, €0.01 on adjusted EPS and €9.7 million on free cash flow. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Jun 2019 Management Review.

Thank you!

amadeus.com
amadeus.com/blog

You can follow us on:
AmadeusITgroup



amADEUS