

Amadeus Jan-Sep 2019 Results

November 7, 2019



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Operating Review

Luis Maroto

President & CEO

January - September 2019

Revenue +15.0%¹

- Solid business performance
- New businesses strong growth + TravelClick consolidation
- Positive FX impact

EBITDA +11.1%¹

Adjusted profit +11.9%¹

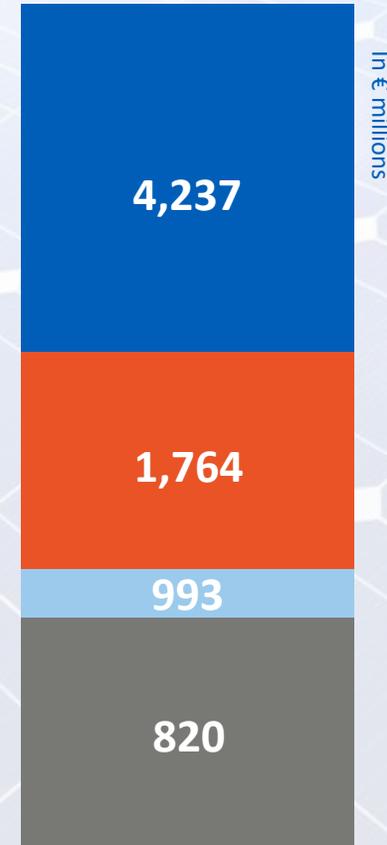
- Adjusted EPS +11.6%¹

Free Cash Flow² +2.2%

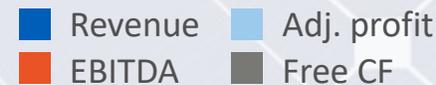
- +10.5%² increase pre-tax

Leverage 1.34x

Continued 2019 outlook confirmation



In € millions



1. Adjusted to exclude TravelClick's acquisition related costs (€3.7 million) and PPA effects (a reduction in revenue and in operating expenses of €7.8 million and €2.3 million, respectively) which together have had a negative impact of: €7.8 million on revenue, €12.8 million on EBITDA, €9.7 million on adjusted profit and €0.02 on adjusted EPS. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Sep 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 €10.7 million, paid in the first nine months of 2019. For full details on TravelClick's acquisition and impacts, please see section 3.1 of Jan-Sep 2019 Management Review.

Developments

Renewed / signed 7 **content agreements** in Q3 2019, including Thai Lion Air, as well as new distribution agreements with Southwest Airlines and Viva Air.

Amadeus becomes **Japan Airlines'** recommended distribution partner enhancing our value proposition in the region.

Driving **NDC** forward:

- Partnership with United Airlines to bring new content offerings to market.
- American Express Global Business Travel and American Airlines process live bookings with the support of Amadeus Travel API.
- TAP Air Portugal joins Amadeus NDC[X] program and signs Private Channel agreement.
- Launch of NDC-enabled Selling Platform Connect.
- IATA NDC Level 4 certification as an aggregator.

Customers of our **merchandizing solutions** for the indirect channel continued to expand.

- Amadeus Airline Ancillary Services – 154 contracted airlines.
- Amadeus Airline Fare Families – 95 contracted airlines.

Sep YTD Performance

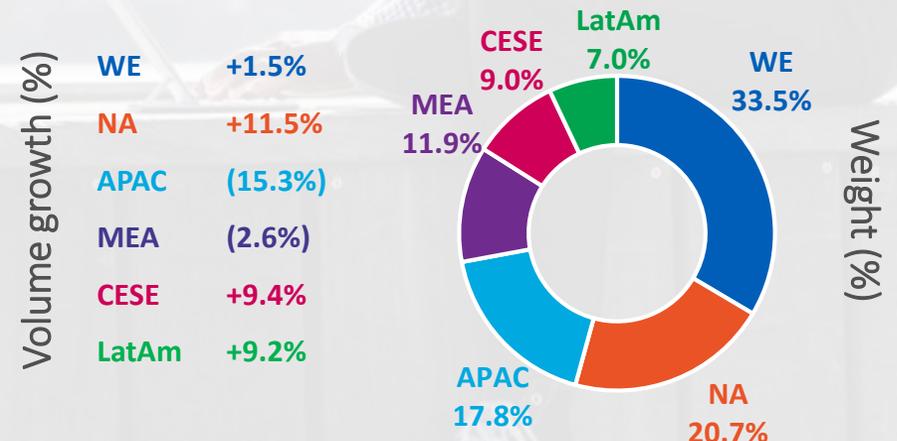
Continued **weak industry backdrop**: -0.8% travel agency air booking industry decline (impacted by India) with mixed performance by regions.

Amadeus **market share gains across regions**, except for Asia Pacific, where we continue to be impacted by the situation in India (+0.5 p.p. gain or +1.3 p.p. ex. India).

Amadeus TA bookings (millions)



Amadeus TA air bookings by region



Developments

Airline IT

Air Europa contracted for incremental Altéa technology, e-commerce and payments solutions. **Mauritania Airlines** signed for the full Altéa Suite and payments solutions. **Finnair** contracted for Dynamic Intelligence Hub and Amadeus Airline Cloud Availability. **Aegean Airlines** signed for Customer Experience Management, **Ural Airlines** for Altéa NDC and **Luxair** for Revenue Accounting. **airBaltic** signed for Disruption technology. **Malaysia Airlines** contracted Amadeus to set up a competency center.

At September 30, 216 Passenger Service System contracted customers.

Airport IT

In the U.S., **Memphis International Airport** and **Orlando-Stanford International Airport** signed for EASE and Amadeus Biometric Integrator, respectively.

Narita International Airport (Japan) to install ICM's self-service auto bag drop units across its four terminals.

Payments

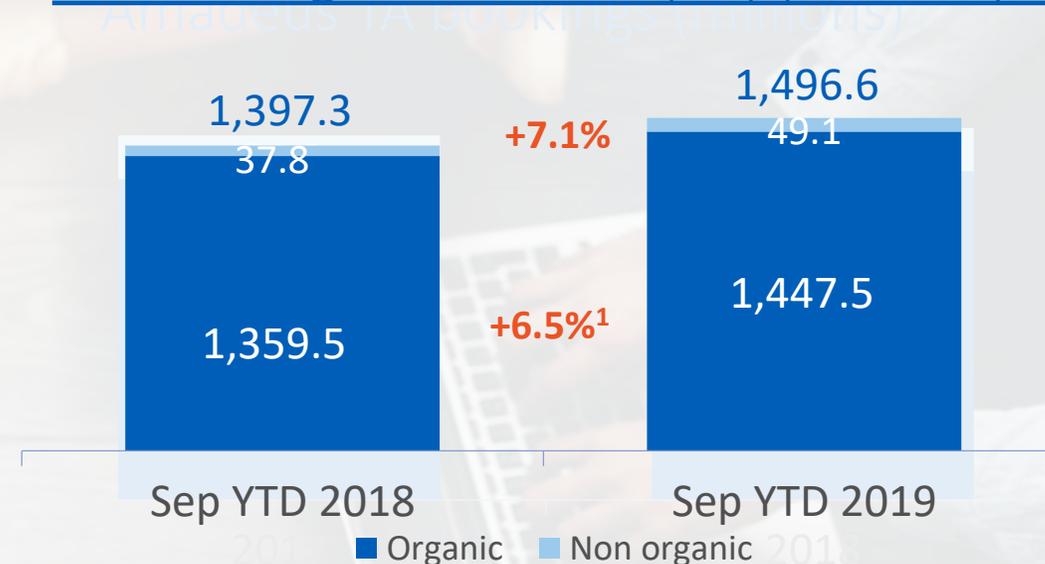
New collaboration with **CyberSource**, Visa's payment management platform.

Sep YTD Performance

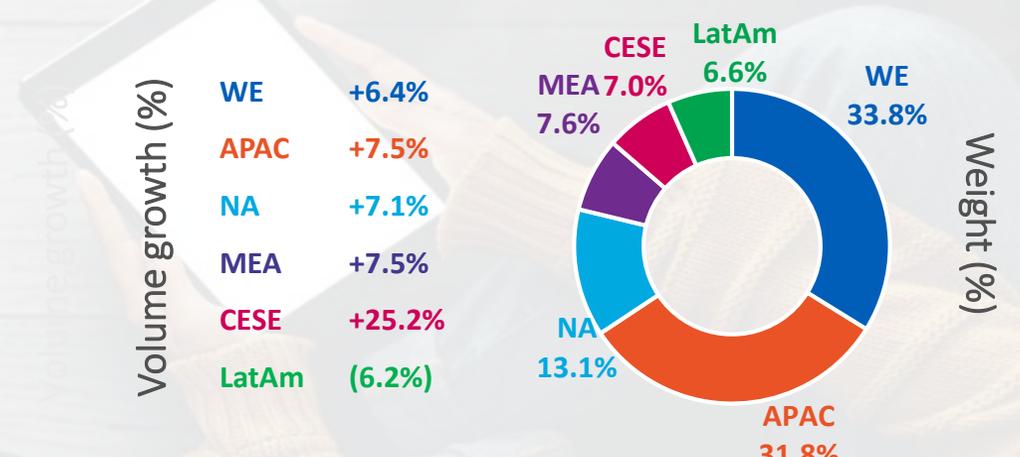
7.1% PB growth driven by +6.5%¹ organic growth, and:

- Customer implementations (S7 Airlines, Maldivian Airlines, Cyprus Airways and Aeromar in 2018, and Philippine Airlines, Bangkok Airways and Flybe in 2019).
- Growth slowed down by (i) cessation/suspension of operations of customers: Germania and bmi Regional (February 2019), Avianca Brasil (May 2019), Avianca Argentina (June 2019), and Thomas Cook UK, Aigle Azur, Adria Airways and XL Airways France (September 2019) and (ii) de-migration of LATAM Airlines Brasil from our platform in Q2 2018.

Passengers Boarded (PB) (millions)



Amadeus PB by region



1. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

IT Solutions - Hospitality

Developments

In Q3 2019, we continued to add customers to our solutions portfolio.

Recent Hospitality customer deals:

- **Sindhorn Midtown** (Thailand) and **Kwarleyz Residence Accra** (Ghana) contracted TravelClick's iHotelier and Business Intelligence solutions.
- **Crown Hotels** in Australia renewed our long term partnership, involving Reservations, Guest Management, Media and Distribution solutions.
- Expanded strategic alliance with **Marriott International** – **endorsement** to use TravelClick's Travel Agent GDS Advertising, Agency360 and Rate360, to its more than 7,000 properties.

Sep YTD Performance

Hospitality revenue expanded at a **double-digit growth rate** (delivered excluding TravelClick and by TravelClick standalone).

This solid performance resulted from double-digit growth **at each of our Hospitality subsegments**: (i) Reservations, Property and Guest Management, (ii) Sales & Catering and Service Optimization, (iii) Media and Distribution, and (iv) Business Intelligence.

IHG and Whitbread update.

We today offer solutions to customers at more than **49,000 unique properties** worldwide.

Foundations to deliver high growth in Hospitality in the coming years.

Amadeus Hospitality Solutions Portfolio



Financial highlights

Ana de Pro
CFO



Revenue growth by segment¹

Group revenue (€ millions)



Segment revenue (€ millions)

Distribution



IT Solutions



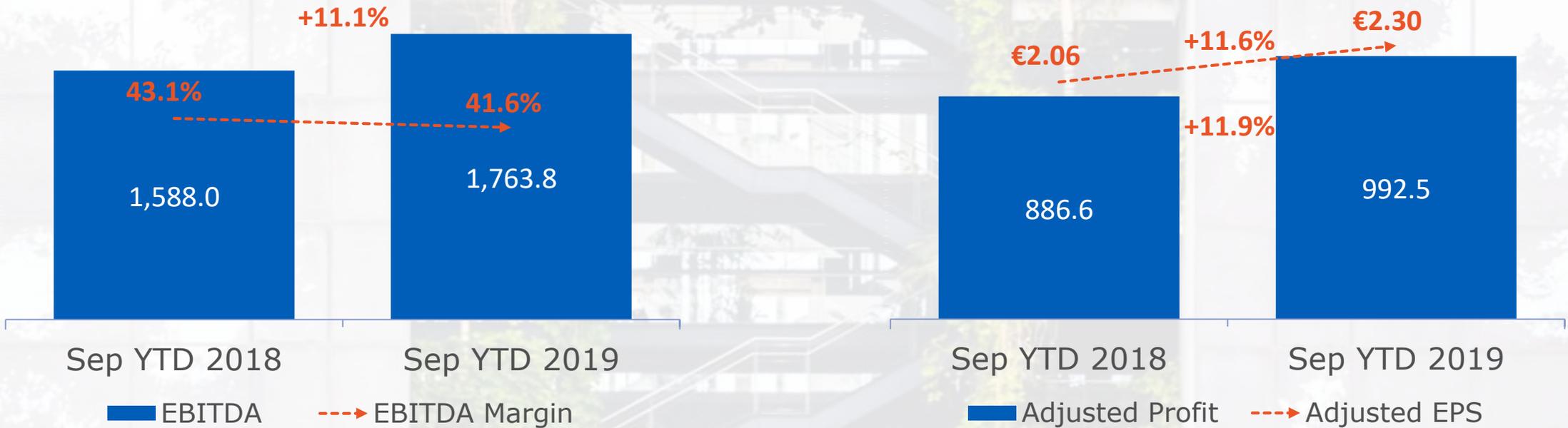
- **Group revenue** expanded by 15.0%, driven by the positive performances of our Distribution and IT Solutions segments. Per segment, Distribution grew 5.1% and IT Solutions grew 31.1%. Revenue growth was positively impacted by FX.
- **Distribution**: volume growth and an expansive revenue per booking, driven by (i) booking mix (increasing weight of global bookings) and customer renegotiations, and (ii) double-digit growth delivered by our payments distribution business.
- **IT Solutions**: (i) PB volume expansion coupled with an increase in Airline IT unitary revenue, (ii) double-digit growth of 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 €7.8 million on IT Solutions and Group revenue. For full details on TravelClick's acquisition and impacts, see section 3.1 of Jan-Sep 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 and payments distribution business growth.

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

Flat tax expense vs. 2018, impacted by a reduction in income tax rate.

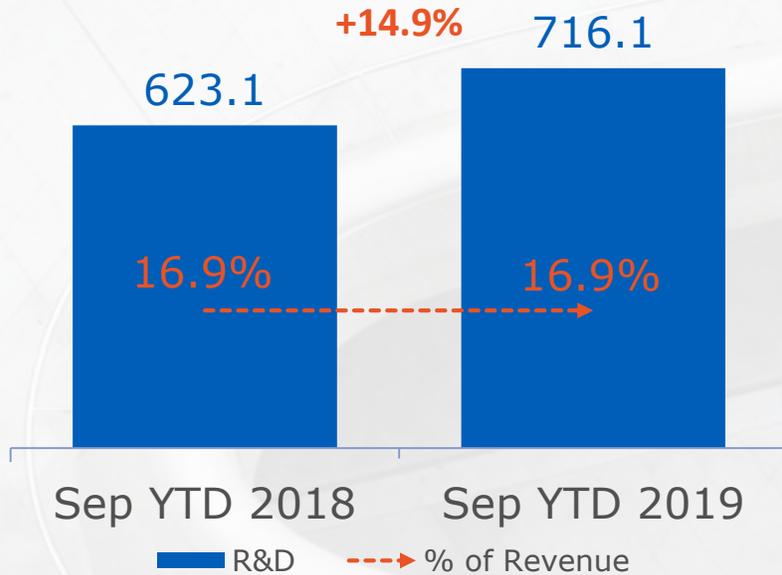
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2. Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses) and (iii) other non-recurring items.

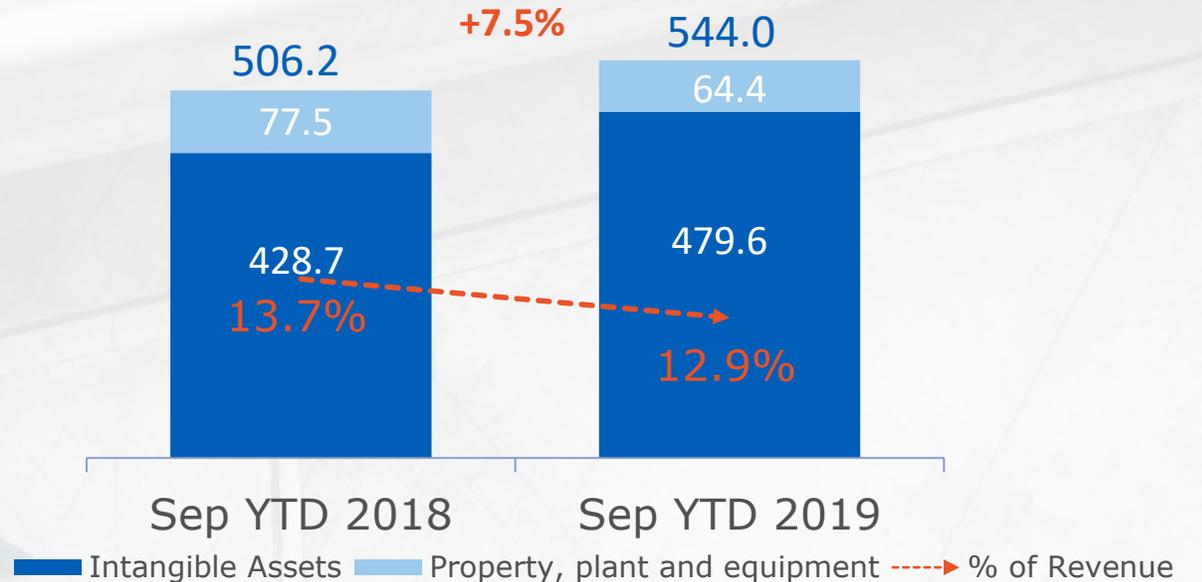
3. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

Investment in R&D and Capex

R&D investment¹ (€ millions)



Capex (€ millions)



- R&D investment related to: (i) new product development and portfolio expansion, (ii) customer implementations, and (iii) cross-area technological projects.
- R&D investment represented 16.9% of revenue.

- Increase in capex in intangible assets, resulting from higher software capitalizations, signing bonuses paid and TravelClick’s consolidation.
- Capex represented 12.9% of revenue.

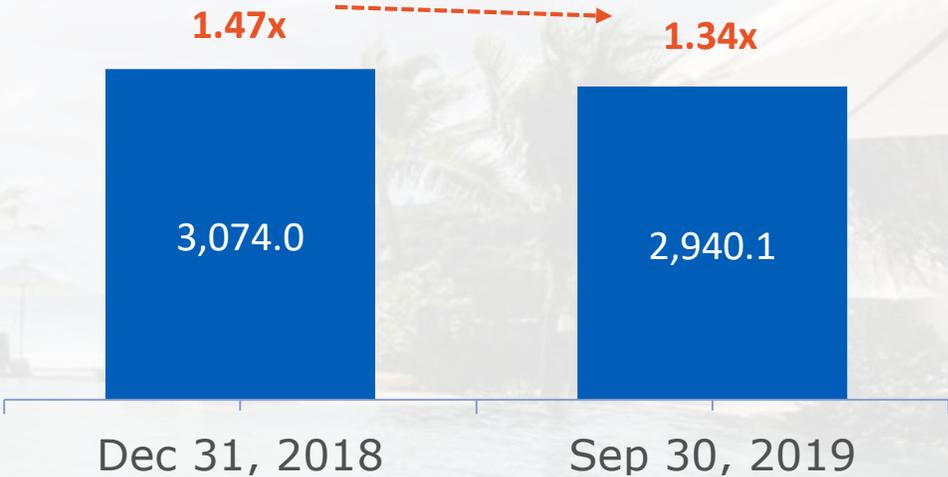
1. Net of research tax credit.

Free cash flow generation and leverage

Free cash flow¹ (€ millions)



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



- +10.5% pre-tax free cash flow growth, resulting from EBITDA growth, partly offset by higher capex, interests and working capital outflow.
- Free cash flow generation, impacted by an increase in taxes paid in Q1 2019.

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

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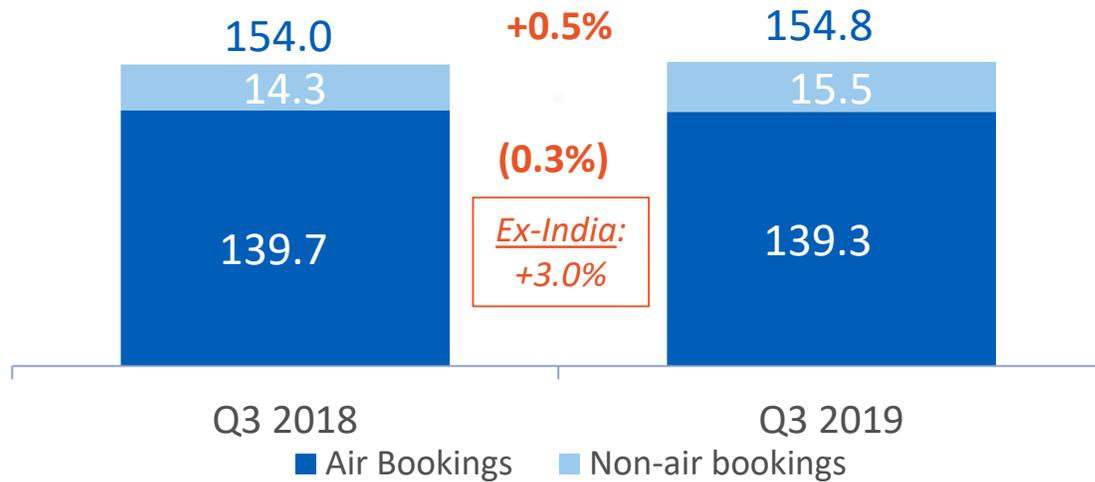
2. Based on our credit facility agreements' definition. Definition included in the credit facility agreements. Leverage calculated as net financial debt divided by LTM EBITDA.

Support materials

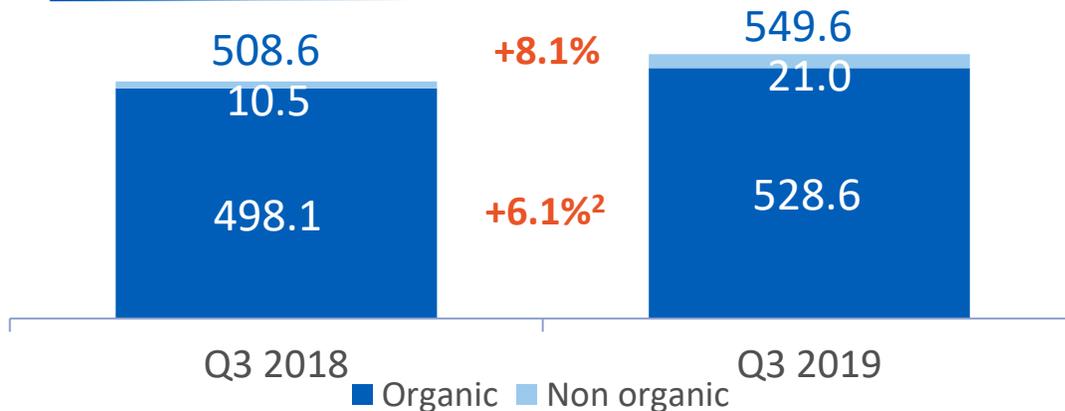


Q3 Volumes

Amadeus TA Bookings (in millions)

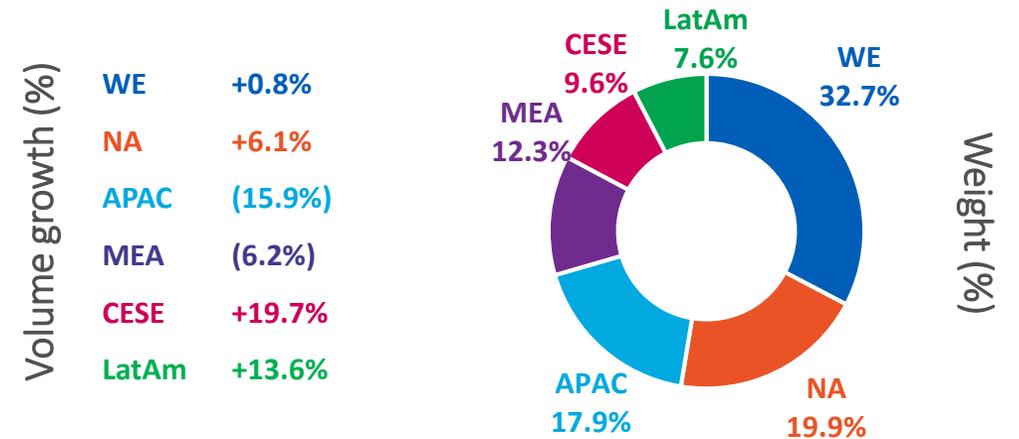


Passengers Boarded¹ (in millions)

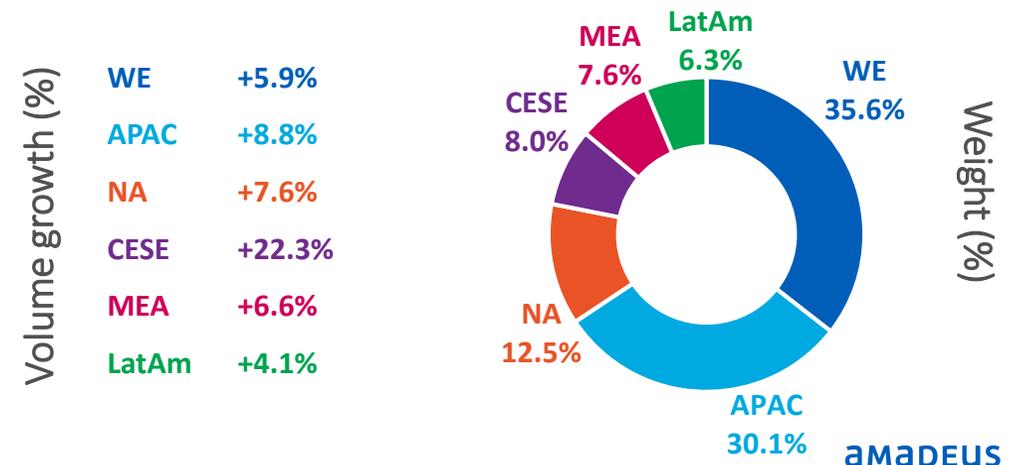


1. Passengers Boarded ("PB") refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated airlines.
 2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods.

Amadeus TA Air Bookings by region



Amadeus PB¹ by region



Q3 revenue by segment¹

Group revenue (€ millions)



Segment revenue (€ millions)

Distribution



IT Solutions



- **Group revenue** expanded by 16.3%, driven by the positive performances of our Distribution and IT Solutions segments. Per segment, Distribution grew 5.8% and IT Solutions grew 31.4%. Revenue growth was positively impacted by FX.
- **Distribution:** (i) volume growth, (ii) an expansive distribution pricing, mainly driven by booking mix (increasing weight of global bookings) and customer renegotiations, (iii) double-digit payments distribution business growth, and (iv) non-recurring effects.
- **IT Solutions:** airline IT healthy growth, on the back of PB volume expansion, new businesses double-digit growth rate and TravelClick's consolidation effect.

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Key Performance Indicators¹

	Sep YTD 2019	Sep YTD 2018	Change
Amadeus TA bookings (m)	496.4	491.7	0.9%
Passengers Boarded (m)	1,496.6	1,397.3	7.1%
Revenue (€m)	4,236.6	3,683.8	15.0%
EBITDA (€m)	1,763.8	1,588.0	11.1%
Adjusted profit (€m)	992.5	886.6	11.9%
Adjusted EPS (€)	2.30	2.06	11.6%
Free Cash Flow (€m)	820.0	802.1	+2.2%

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Thank you!

