

Amadeus Jan – Jun 2020 Results

July 31, 2020



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- _ 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

Q2 2020: COVID-19 impact on volumes

First quarter with large scale lockdowns across regions.

Amadeus TA air bookings

- From late May, flights scheduled start to grow and bookings start to improve.
- Negative bookings in April, May and H1 June. Positive bookings daily from mid-June, as cancellations slow down and gross bookings improve in response to more air passenger seats being made available.
- In July, Amadeus bookings remain positive daily, with the underlying GDS industry and Amadeus gross bookings ranging -75% to -80% on a daily basis.
- Q2 2020 air TA bookings -113.2%**, negative bookings drive negative revenue.
- Q2 2020 Distribution revenue -102.0%** (-82.4% underlying evolution excluding COVID-19 cancellations effect).

Amadeus Passengers Boarded

- Performed in line with industry traffic (April c.-95% across regions, May -91%, June -86.5% IATA).
- Growth improved from late May / early June, persisting through July (PBs daily currently ranging c.-80% compared to 2019.)
- Q2 2020 Amadeus PB -93.9%**.
- Q2 2020 IT Solutions revenue growth -55.8%**, outperforms PB growth supported by airline services revenue and revenues not directly linked to airline traffic or not driven by transactions, particularly in Hospitality.

Amadeus 2020 TA air booking growth (%)



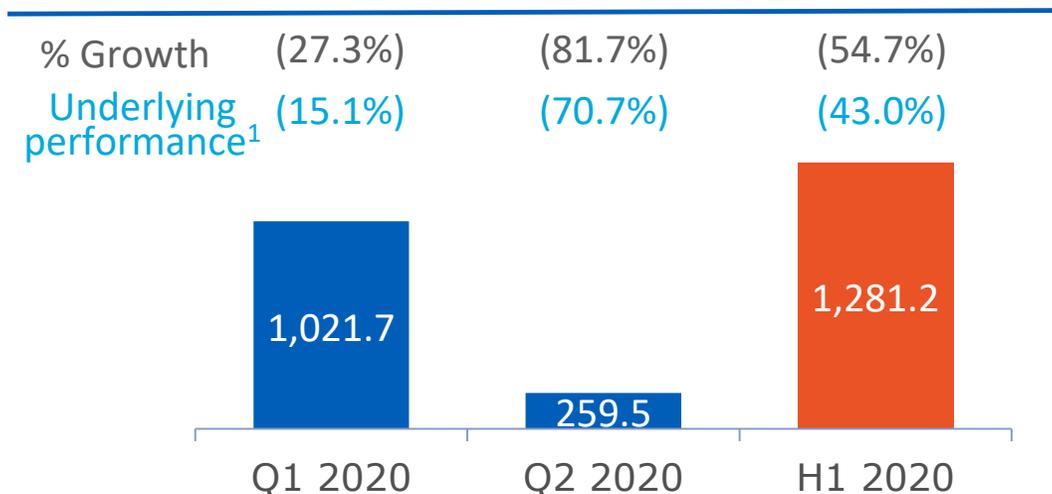
Amadeus 2020 PB growth (%)¹



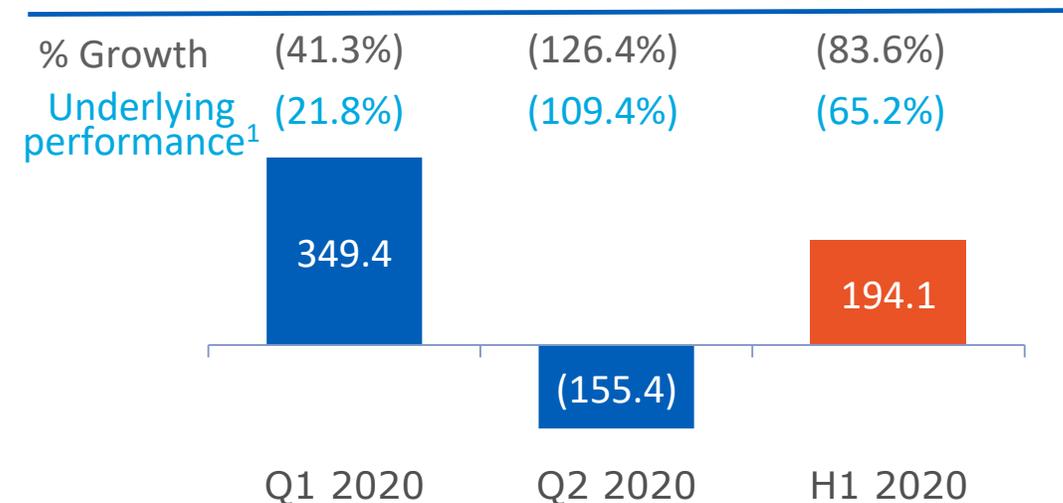
1. Only includes Altéa, however monthly evolution of Altéa and Navitaire PB has been very similar

Q2/H1 2020 performance recap - COVID-19 impact

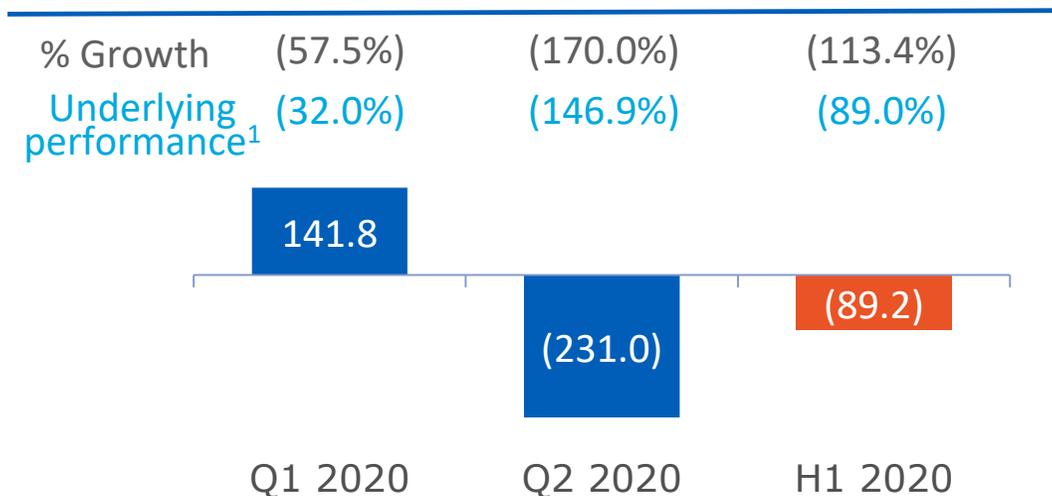
Revenue (€m)



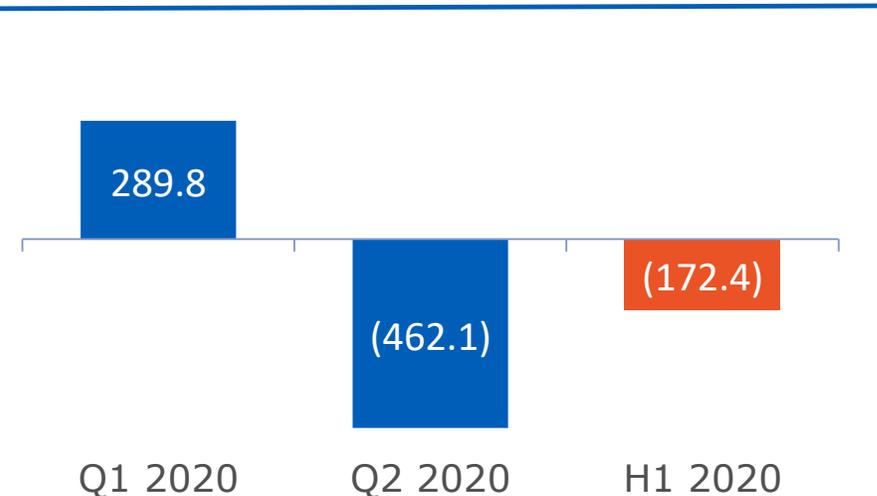
EBITDA (€m)



Adjusted profit (€m)



Free cash flow (€m)



1. Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in section 5 of the H1 2020 Management Review.

Liquidity available June 30, 2020

_ **c.€4.1bn liquidity** composed of:

- Cash (€2,379.9 million) – April / May capital increase, convertible bond and bond issues
- Undrawn revolving facility (€1,000 million)
- Undrawn bridge to bond loan (€500 million)
- An undrawn covenant-free new EIB loan (€200m, signed June 29, 2020)

_ Key financial maturities over 2020 and 2021:

- €500 million bond maturity in October 2020
- €500 million bond maturity in November 2021
- €80 million of older EIB loan (covenants waived until September 2021)
- Commercial Paper of €512.5 million outstanding as of June 30, 2020:
 - _ Continued to roll-forward a large part of commercial paper maturities during Q2
 - _ Now eligible for European Central Bank purchases (Pandemic Emergency Purchase Program)

Plan to further strengthen Amadeus for the future

€550m fixed cost reduction in 2021 vs. 2019

Enhancement plan – incremental €250m fixed cost reduction in 2021 vs. 2019

To improve the way we operate, the way we serve our customers and to foster innovation

- Acceleration of digitalization programs;
 - Process simplification and standardization;
 - M&A integration acceleration: portfolios and commercial operations;
 - Speeding up our adoption of agile, lean and SAFe methodologies;
 - Internal reorganizational steps taken.
- The implementation of operational programs and workforce reduction requires a timeline for implementation and associated implementation costs of approximately €200m over 2020-2021.

March 23rd fixed cost reduction plan – €300m annual fixed cost savings

Liquidity and cash-out protection measures in response to COVID-19 initial impact

- Reducing contractor base, implementing a hiring freeze, a salary freeze, limitations to travel and other discretionary corporate spend, among others.
- Effects of this plan underway, with P&L fixed costs (excluding bad debt) and capex combined, down €129m in the second quarter relative to last year.
 - As long as volumes continue to be highly depressed relative to 2019, the reductions in fixed costs pertaining to this plan will be maintained.
 - If volumes start to recover, part of these cost reductions may show growth, as we may need to retake some activities, (i.e., travel or training).

Q2 business developments

Airline Distribution

- Renewed / signed 9 **distribution agreements** in Q2 2020.
- Continued progress in NDC:
 - American Airlines implemented Amadeus Ancillary Services via NDC.
 - Two other large airlines have connected to the Amadeus Travel Platform, one of them through Altéa NDC.
- Customers of our **merchandizing solutions** for the indirect channel continued to expand.
 - Amadeus Airline Ancillary Services – 165 contracted airlines.
 - Amadeus Airline Fare Families – 110 contracted airlines.

Airport IT

- In July, **Avinor** contracted touchless check-in and bag drop technology.
- Also in July, **Queen Alia International Airport** in Amman deployed our full suite of airport solutions.
- **Fort Lauderdale-Hollywood International Airport** contracted for Amadeus Biometric Boarding.

Airline IT

- A 40m PB carrier and a small African carrier contracted for the Altéa PSS. **TAAG Angola** implemented Altéa.
- **Korean Air** renewed its Altéa contract and signed up for the Amadeus Digital Experience Suite.
- Both **Air Tahiti** and **Tarom** implemented Altéa Departure Control. Tarom also implemented Amadeus Segment Revenue Management.
- **Qantas** successfully implemented parts of Amadeus Customer Experience Management.
- **Ural Airlines** implemented Altéa NDC.

Hospitality

- Both **Aimbridge Hospitality Holdings** and **Hyatt's Select Service Hotels** renewed TravelClick's business intelligence technology.
- **Hotel Angeleno** renewed our contract for a selected number of solutions from the TravelClick portfolio, **Bastion Hotels** renewed its contract for TravelClick Rez Exchange, and **Grupo Posadas** contracted web services.
- **Grand Lisboa Palace** contracted Amadeus Sales & Event Management.

Financial highlights

Ana de Pro
CFO



Q2/H1 financial performance: reported vs *underlying*

– The table below shows:

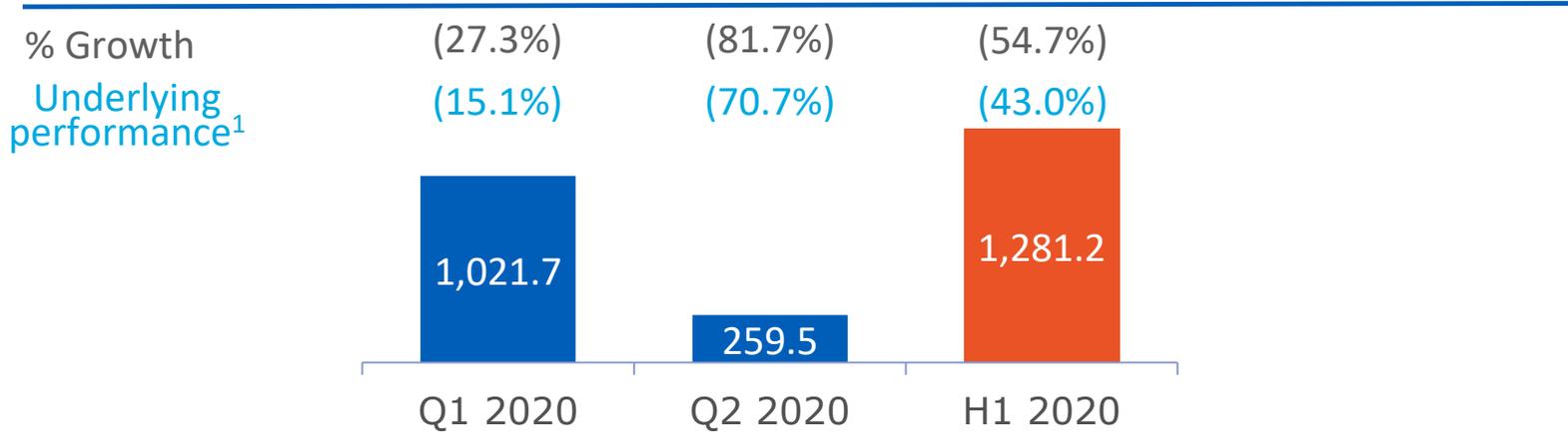
- A. Amadeus Group results reported growth in 2020 vs. 2019.
- B. Effects related to the COVID-19 pandemic, which have been adjusted to calculate the underlying performance view. These effects are: higher than usual booking cancellations combined with the cancellation provision, bad debt and impairment effects, and upfront financing fees.
- C. Underlying growth of Amadeus Group results, adjusted for the effects mentioned above.

2020 performance vs. 2019	A – Reported change (%)		B – Adjustments (€m) ¹		C–Underlying change (%)	
	Q2	H1	Q2	H1	Q2	H1
Revenue	(81.7%)	(54.7%)	156.1	329.2	(70.7%)	(43.0%)
Cost of revenue	(102.1%)	(72.4%)	(91.5)	(152.2)	(77.0%)	(51.4%)
Personnel & Other opex	(9.6%)	(3.5%)	34.9	46.5	(15.6%)	(6.7%)
EBITDA	(126.4%)	(83.6%)	99.5	223.6	(109.4%)	(65.2%)
D&A	31.1%	22.4%	63.1	64.6	(0.3%)	5.7%
Operating income	(197.1%)	(128.3%)	162.6	288.2	(155.4%)	(93.9%)
Net financial expense	18.1%	(26.5%)	2.2	2.2	9.3%	(31.3%)
Profit before taxes	(207.8%)	(133.8%)	164.8	290.4	(163.9%)	(97.5%)
Taxes	(210.6%)	(137.0%)	(45.4)	(79.9)	(163.2%)	(98.6%)
Profit	(206.4%)	(133.1%)	119.5	210.4	(164.0%)	(97.8%)
Adjusted profit	(170.0%)	(113.4%)	73.7	145.9	(146.9%)	(89.0%)

1. See section 5 of H1 2020 Management Review for full details on the adjustments.

Revenue evolution by segment

Group revenue (€ millions)



Segment revenue (€ millions)

Distribution

IT Solutions

	Q1 2020	Q2 2020	H1 2020	Q1 2020	Q2 2020	H1 2020
% Growth	(45.5%)	(102.0%)	(73.0%)	(0.3%)	(55.8%)	(29.4%)
Underlying performance ¹	(25.0%)	(82.4%)	(52.9%)			



– **Q2 Group revenue** contracted by 81.7% (70.7% excluding COVID-19 related bookings cancellation effects), driven by the COVID-19 impact on the travel industry.

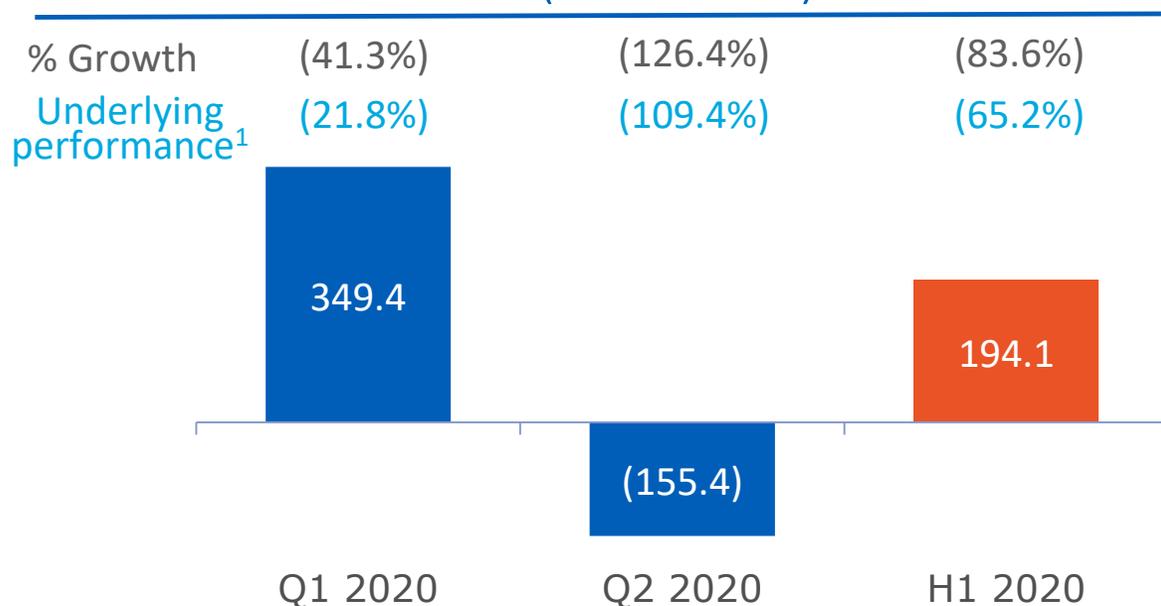
– **Q2 Distribution:** -102.0% revenue evolution (-82.4%, excluding COVID-19 related bookings cancellation effects), resulting from negative bookings, partly offset by (i) the cancellation provision, (ii) revenue from solutions supporting cancellation processes, and (iii) contraction in other revenue lines, albeit at a softer rate than air bookings.

– **Q2 IT Solutions:** -55.8% revenue growth, driven by low PB volumes, a contraction in revenue from our new businesses, albeit at a softer rate than airline PB, and airline services revenue growth.

1. Adjusted to exclude booking cancellations associated with the COVID-19 pandemic, impacting the Distribution business, as described in section 5 of the H1 2020 Management Review.

EBITDA and Adjusted EPS growth

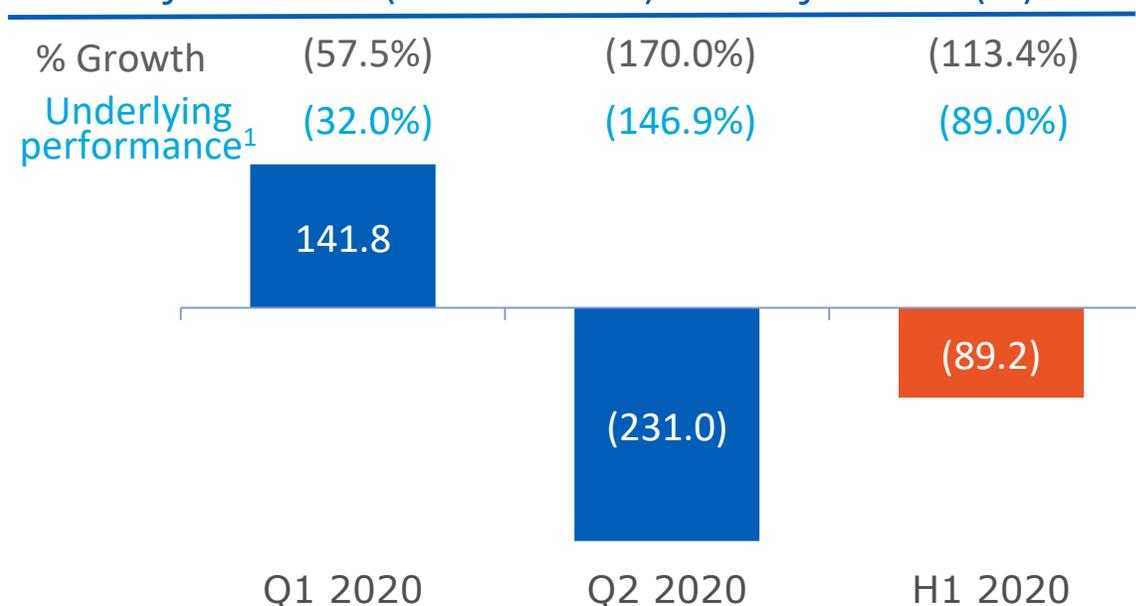
EBITDA (€ millions)



Q2 2020: -126.4% EBITDA evolution vs. Q2 2019 (-109.4%, excluding COVID-19 associated effects), resulting from:

- the reduction in Group revenue, as well as in cost of revenue, which continued to flex with air bookings.
- a 9.6% decline vs. Q2 2019 in personnel and other opex, (or 15.6% excluding COVID-19 linked bad debt effects), supported by the progress in fixed cost savings plan.

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



	Q1 2020	Q2 2020	H1 2020
Adj. EPS	€0.33	(€0.51)	(€0.20)
% Growth	(57.6%)	(166.9%)	(113.1%)
Underlying performance ¹	(32.0%)	(144.9%)	(89.2%)

- Q2 Adjusted profit (loss) driven by the negative operating results and a higher interest expense, partly offset by tax income.
- Q2 Profit (loss) for the period impacted by €45.7 million (post tax) impairment charge

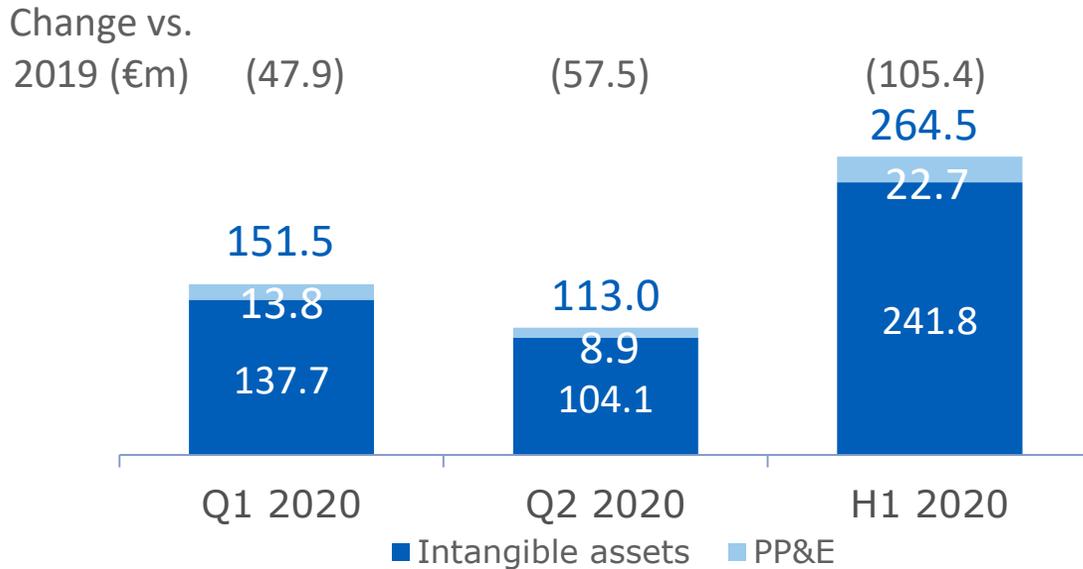
1. Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in section 5 of the H1 2020 Management Review.

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

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

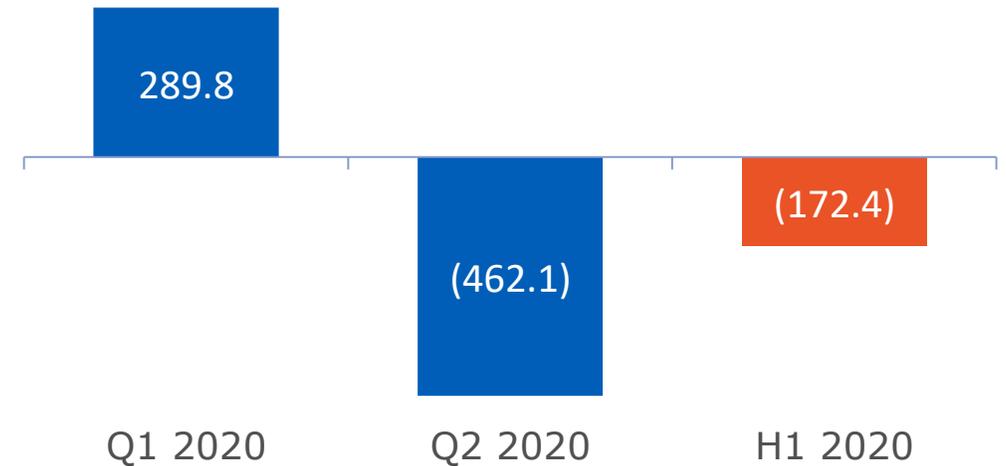
Capex and Free cash flow

Capex (€ millions)



- Q2 / H1 2020 reductions in capex vs. 2019, resulting from lower software capitalizations, lower signing bonuses paid and lower capex in PP&E, driven by our fixed cost reduction plan measures.
- Q2 / H1 2020 software capitalizations decline relative to last year driven by (i) a reduction in R&D investment of 17.4% in Q2 and 7.7% in H1, resulting from a selective approach, in the context of COVID-19, prioritizing investment in strategic projects, whilst postponing efforts devoted to more long-term initiatives, and (ii) a lower capitalization ratio, due to project mix.

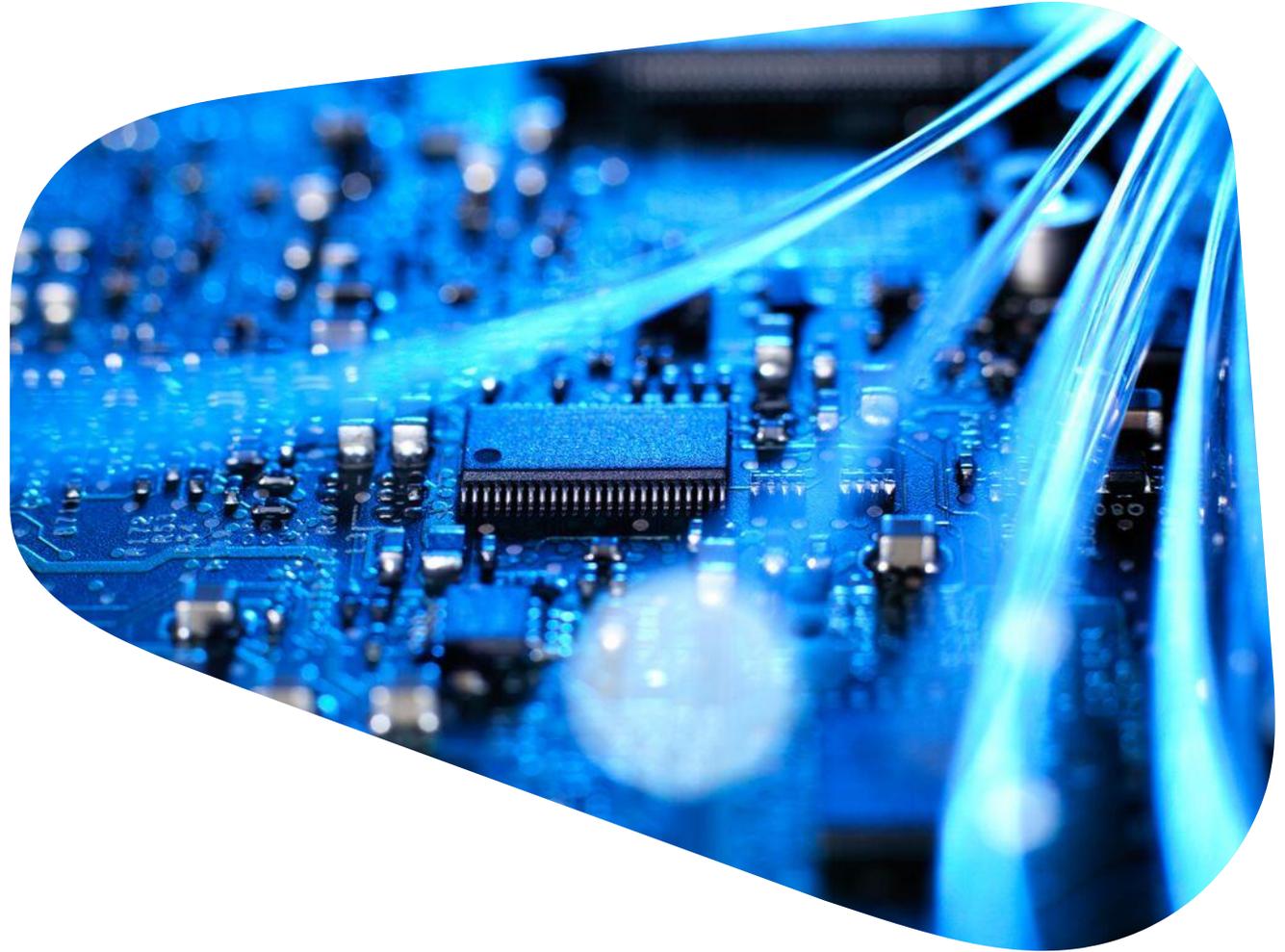
Free cash flow¹ (€ millions)



- Negative free cash flow in Q2, resulting from negative EBITDA, reduced capex, a working capital outflow and tax collections.

1. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

Support materials



Key Performance Indicators

	H1 2020	H1 2019	Change	<i>Underlying financial performance¹</i>
Amadeus TA bookings (m)	82.9	341.6	(75.7%)	
Passengers Boarded (m)	415.2	947.0	(56.2%)	
Revenue (€m)	1,281.2	2,826.6	(54.7%)	(43.0%)
EBITDA (€m)	194.1	1,184.4	(83.6%)	(65.2%)
Adjusted profit ¹ (€m)	(89.2)	664.0	(113.4%)	(89.0%)
Adjusted EPS ¹ (€)	(0.20)	1.54	(113.1%)	(89.2%)
Free Cash Flow ² (€m)	(172.4)	442.2	(139.0%)	

1. Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the new credit agreements, as described in section 5 of the H1 2020 Management Review.

2. Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

Thank you!

