

Amadeus
2020 Results
February 26, 2021



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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

Q4 - Modest monthly traffic improvements

Global Air Traffic

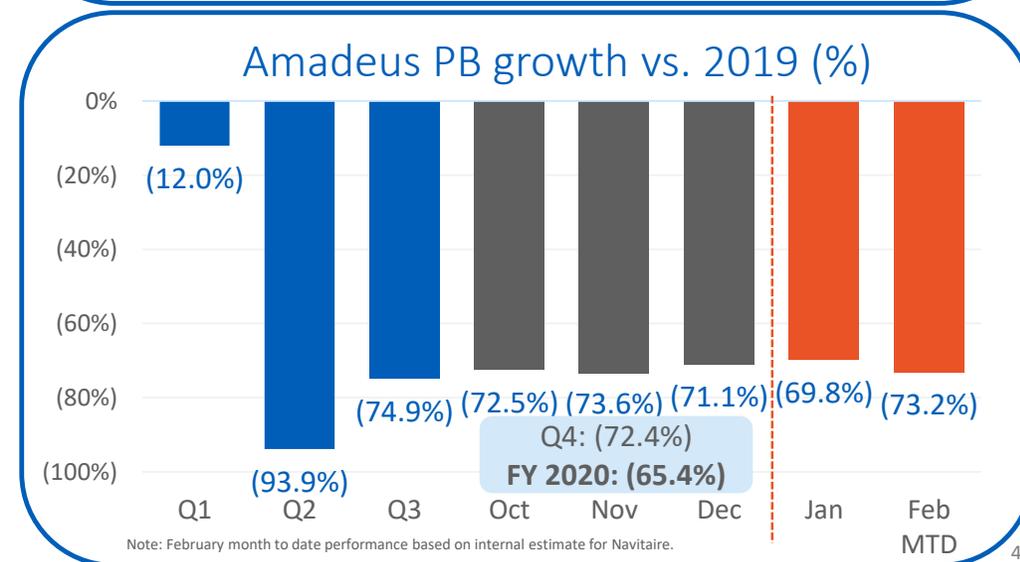
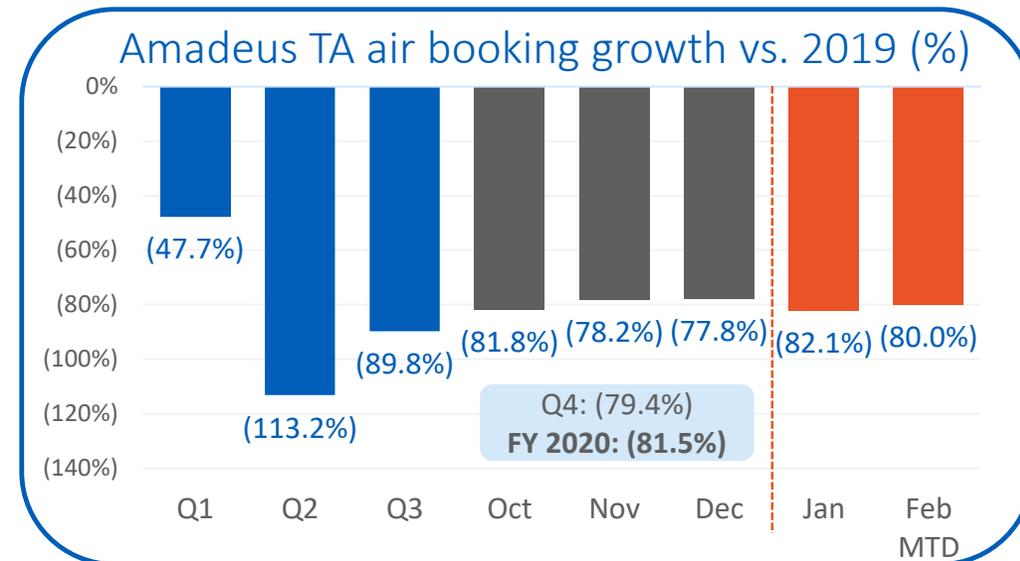
- Q4 -70.2% traffic contraction vs. 2019 (-76.0% in Q3).
- Modest monthly traffic improvements.

Amadeus TA air bookings

- Monthly growth rates gradual improvements (enhanced gross bookings evolution and a continued normalization of the cancellation ratio).
- **Q4 2020 TA air bookings -79.4%. Q4 2020 Distribution revenue -77.9%** (-71.2% excluding COVID-19 cancellations effect).
- **January 2021 bookings** slow-down, but trend in **February month-to-date** improving again.

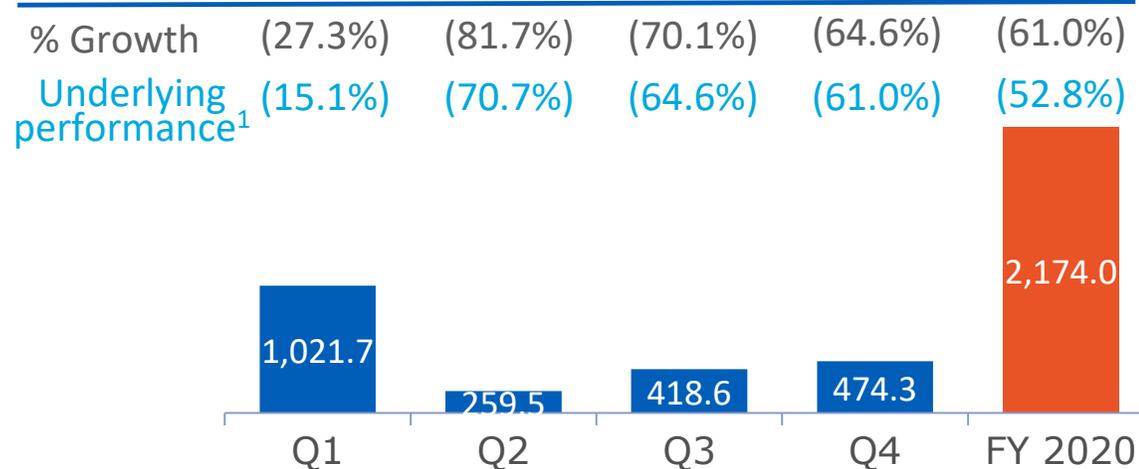
Amadeus Passengers Boarded

- Continued improvement until year-end, except for November (driven by Europe, impacted by the second spike in COVID cases).
- **Q4 2020 Amadeus PB -72.4%. Q4 2020 IT Solutions revenue growth -48.5%**, outperforms PB growth supported by revenues not directly linked to airline traffic or not driven by transactions.
- **January PB** performance modest improvement vs. December. Recent deterioration in **February**.

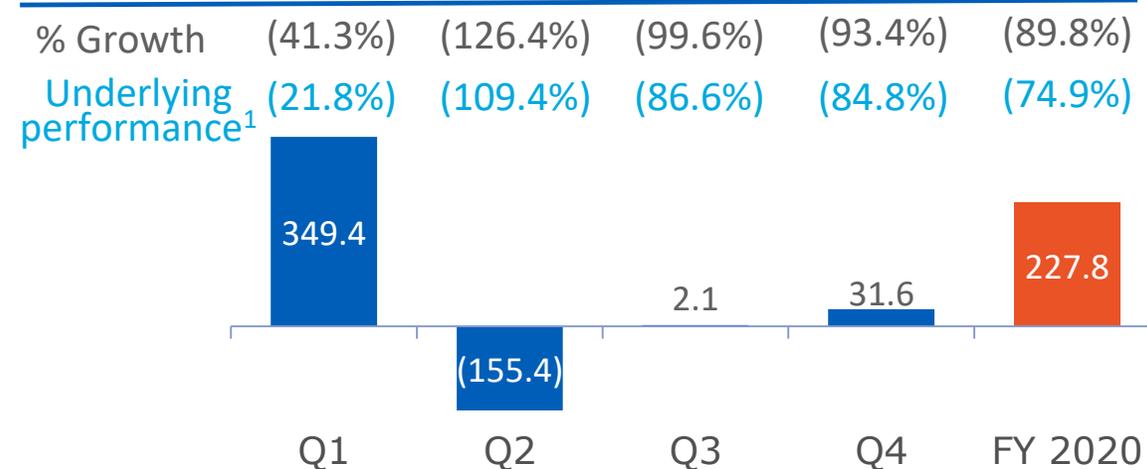


Q4/FY performance

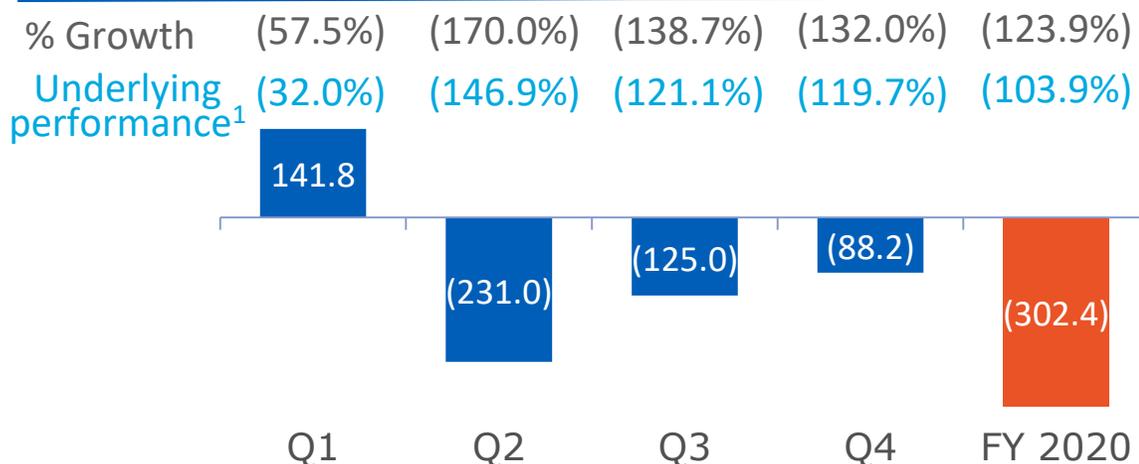
Revenue (€m)



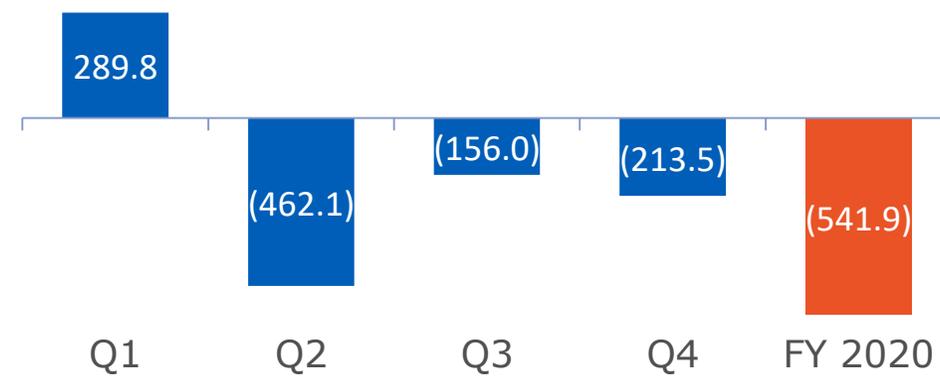
EBITDA² (€m)



Adjusted profit³ (€m)



Free cash flow (€m)



- Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the bridge to bond facility and convertible bond issuance, as described in section 5 of the 2020 Management Review. It also excludes one-time costs related to the implementation of the cost savings program announced in Q2 2020.
- Adjusted to exclude one-time costs related to the implementation of the cost savings program announced in Q2 2020.
- Excludes after-tax impact of: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects.

Continued commercial progress

Airline Distribution

- Renewed / signed **11 distribution agreements** (67 in 2020).
- **NDC agreements with Singapore Airlines and American Airlines.**
- Reinforced strategic partnership with **Expedia Group.**
- In 2020, we signed our first distribution agreement with **Priceline**, one of North America's leading online travel agencies.
- Customers of our **merchandizing solutions** for the indirect channel continued to expand:
 - Amadeus Ancillary Services – 173 contracted airlines.
 - Amadeus Airline Fare Families – 116 contracted airlines.

Airport IT

- **Salt Lake City International Airport** (U.S.) contracted Airport Operational Database, Resource Management System, Flight Information Display System, EASE Common Use check-in boarding and self-service kiosks.
- Istanbul-based **Havas Ground Handling** (Turkey) chose Amadeus Altéa DC for Ground Handlers.
- **Afroport**, a company based in Abu Dhabi (UAE), contracted our cloud-based platform for delivering common use passenger services.
- **Nouakchott–Oumtounsy International Airport** (Mauritania) will implement Altéa Departure Control System and Amadeus' Baggage Reconciliation System.

Airline IT

- **Air Burkina** and **Uganda Airlines** contracted for the Altéa PSS, among other solutions. **Air Senegal**, who had recently contracted for the Altéa PSS suite, went through its implementation.
- **Gulf Air** contracted Amadeus Rich Merchandising, and both **Kenya Airways** and **Airlink** contracted Traveler DNA (former Customer Experience Management).
- New partnership with **Star Alliance**, enabling travelers to use Traveler ID to access airports that have implemented the Star Alliance Biometrics solution.

Hospitality

- Both **Meeting Point Hotels**, which is part of the FTI Group, and West African hotel chain **Azalai Hotels**, contracted for the new Amadeus Integrated Booking Suite (the combination of Amadeus' iHotelier Central Reservations System, Guest Management Solutions and Web).
- Renewal of our business intelligence partnership with **InterContinental Hotels Group (IHG)**. The relationship extends IHG's recommendation for hotels to use Amadeus Demand360, Agency360 and RevenueStrategy360TM, which have been enhanced with additional solution capabilities.

_ Our **vision**

An open, partner-enabled, ecosystem platform delivering end-to-end traveler experience

_ **Focused technology investment**

- ✓ Mainframes decommissioned - Open systems
- ✓ Amadeus Cloud Services
- ✓ New technology built cloud-native
- ✓ On roadmap: solutions progressively migrated to the public cloud

Microsoft Strategic Partnership

Amadeus technological **acceleration**

- _ 3/5-year migration to public cloud
- _ R&D efforts part of capex budgets
- _ Mid-term savings reinvested in our technology

A partnership to **innovate**

- _ Joint innovation and product development, including coordinated go-to-market strategies, leveraging Amadeus' and Microsoft's respective footprint and capabilities

Financial highlights

Till Streichert - CFO



Accelerating our path to profitability

€500 million fixed cost reduction achieved in 2020 vs. 2019

On track to achieve €550 million fixed cost reduction in 2021 vs. 2019

- Fixed cost reduction achieved in 2020 vs. 2019:
 - In **Q4 2020**: €195.8 million. €119.4 million from P&L fixed costs¹ and €76.5 million from capex.
 - In **FY 2020**: €506.1 million. €271.5 million from P&L fixed costs¹ and €234.6 million from capex.
- 2020 fixed cost reduction, larger than the savings from the plans announced in H1, driven by additional initiatives.

Cost savings program implementation costs

- Broadly €200 million costs expected.
- €169.1 million implementation costs incurred in 2020 (€93.4 million in Q4).
 - Of them, €34.1 million paid in 2020 (€31.6 million in Q4).
- The outstanding implementation costs will be incurred largely in Q1 2021 and the associated pay-outs will take place throughout 2021.

1. Excluding bad debt provision movements and costs related to the implementation of the cost savings program announced in Q2 2020.

Liquidity headroom

_ **c.€3.5 billion liquidity** available at Dec 31, 2020

- Cash (€1,555 million)
- Short term investments (€900 million)
- Undrawn revolving facility (€1,000 million)

_ Key financial maturities over 2021-2022:

- €500 million bond maturity in November 2021
- €500 million bond maturity in March 2022
- €62.5 million of EIB loan
- Commercial Paper of €622 million outstanding as of December 31, 2020:

_ In February 2021, Amadeus issued a €500 million Floating Rate Note, with a two-year term (with an optional issuer redemption after the first year), which will gradually replace our Commercial Paper maturities

_ In a hypothetical scenario of air traffic at -80% vs. 2019 through 2021 and 2022, we would expect monthly free cashflow ranging between -€50 million to -€100 million over the period

_ With fluctuations through the period due to seasonality and timings of flows

Q4/FY financial performance: reported vs. *underlying*

- The table below shows:
 - A. Amadeus Group results (adjusted to exclude implementation costs¹) 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 ¹ (%)		B – Adjustments (€m) ²		C–Underlying change (%)	
	Q4	FY	Q4	FY	Q4	FY
Revenue	(64.6%)	(61.0%)	49.0	455.7	(61.0%)	(52.8%)
Cost of revenue	(83.7%)	(80.7%)	(10.7)	(184.3)	(80.6%)	(67.8%)
Personnel & Other opex	(24.7%)	(12.5%)	5.2	70.1	(23.9%)	(14.5%)
EBITDA	(93.4%)	(89.8%)	43.5	341.5	(84.8%)	(74.9%)
D&A	8.0%	9.6%	58.8	139.6	(18.8%)	(5.2%)
Operating income	(165.2%)	(140.8%)	102.3	481.1	(127.1%)	(107.8%)
Net financial expense	104.7%	72.4%	0.9	5.9	99.0%	62.5%
Profit before taxes	(188.3%)	(150.1%)	103.2	487.0	(142.9%)	(114.8%)
Taxes	(355.3%)	(168.0%)	(28.3)	(133.9)	(225.8%)	(123.0%)
Profit	(165.6%)	(145.4%)	74.8	353.0	(130.8%)	(113.1%)
Adjusted profit	(132.0%)	(123.9%)	32.2	251.9	(119.7%)	(103.9%)

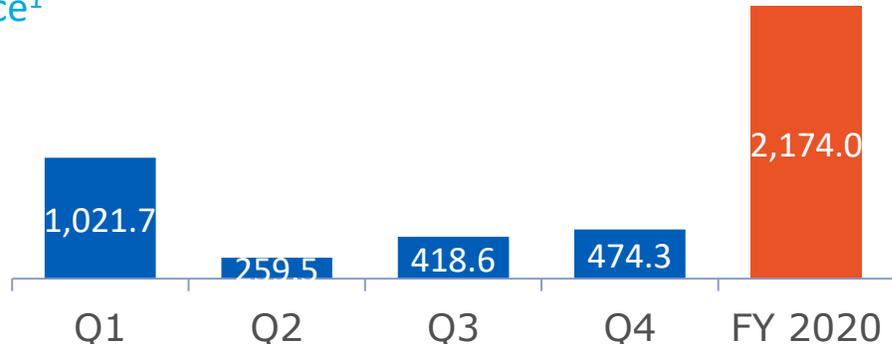
1. Adjusted to exclude costs amounting to €93.4 million (€66.4 million post tax) and €169.1 million (€120.9 million post tax) incurred in the fourth quarter and the full year 2020, respectively, related to the implementation of the cost savings program announced in Q2 2020. See sections 3 and 5 of 2020 Management Review for more details.

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

Revenue evolution by segment

Group revenue (€ millions)

% Growth	(27.3%)	(81.7%)	(70.1%)	(64.6%)	(61.0%)
Underlying performance ¹	(15.1%)	(70.7%)	(64.6%)	(61.0%)	(52.8%)



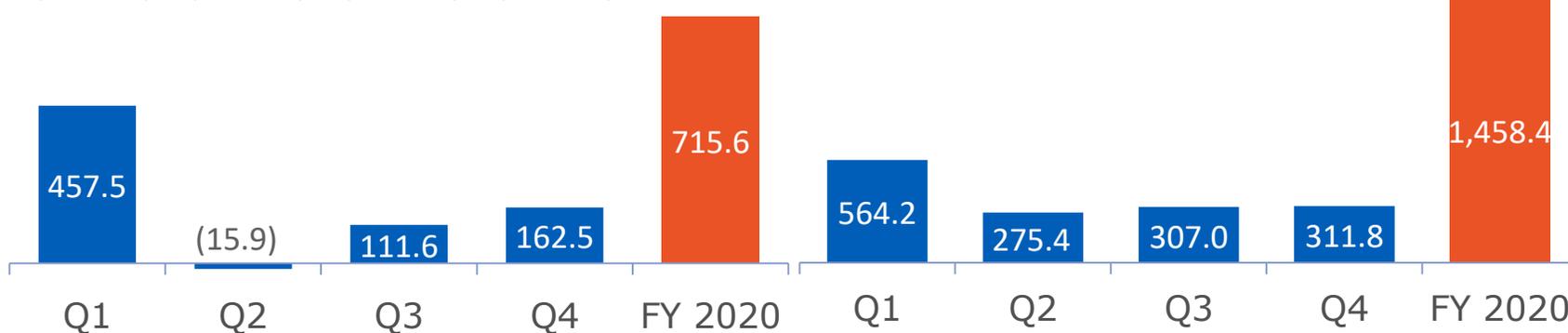
Segment revenue (€ millions)

Distribution

(45.5%)	(102.0%)	(85.3%)	(77.9%)	(77.1%)	(0.3%)	(55.8%)	(52.4%)	(48.5%)	(40.2%)
(25.0%)	(82.4%)	(75.0%)	(71.2%)	(62.6%)	(0.3%)	(55.8%)	(52.4%)	(48.5%)	(40.2%)

IT Solutions

(0.3%)	(55.8%)	(52.4%)	(48.5%)	(40.2%)
(0.3%)	(55.8%)	(52.4%)	(48.5%)	(40.2%)

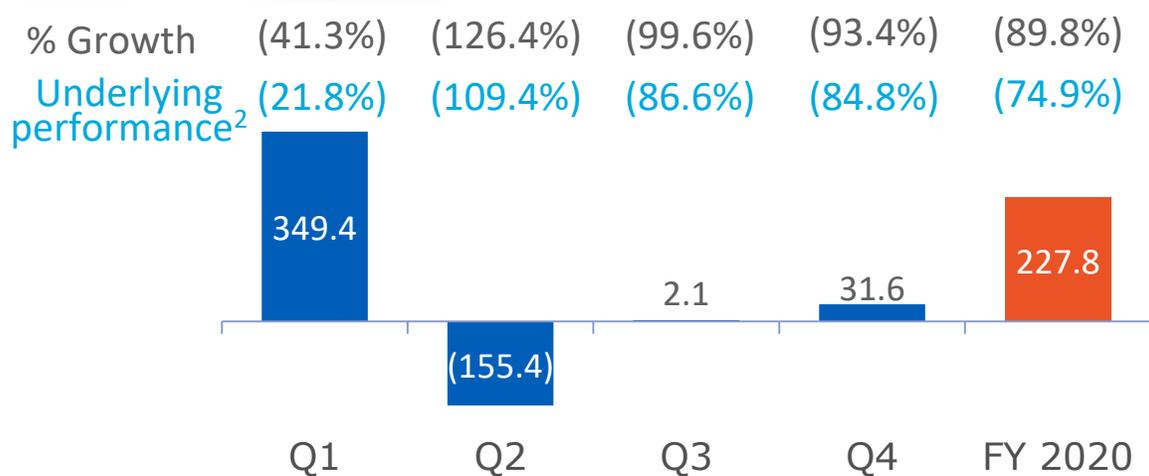


- **Q4 Group revenue** -64.6% (-61.0% excluding COVID-19 bookings cancellation effects).
- **Q4 Distribution revenue:** -77.9% (-71.2% excluding COVID-19 bookings cancellation effects), resulting from -78.1% booking decline and a higher revenue per booking, driven by (i) the cancellation provision and revenue from solutions supporting cancellation processes, and (ii) contraction in other revenue lines, albeit at a softer rate than bookings, partly offset by (iii) the higher weight of local bookings.
- **Q4 IT Solutions:** -48.5% revenue growth, driven by -72.4% PB evolution and a contraction in revenue from our new businesses, albeit at a softer rate than airline PB.

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

EBITDA and Adjusted EPS growth

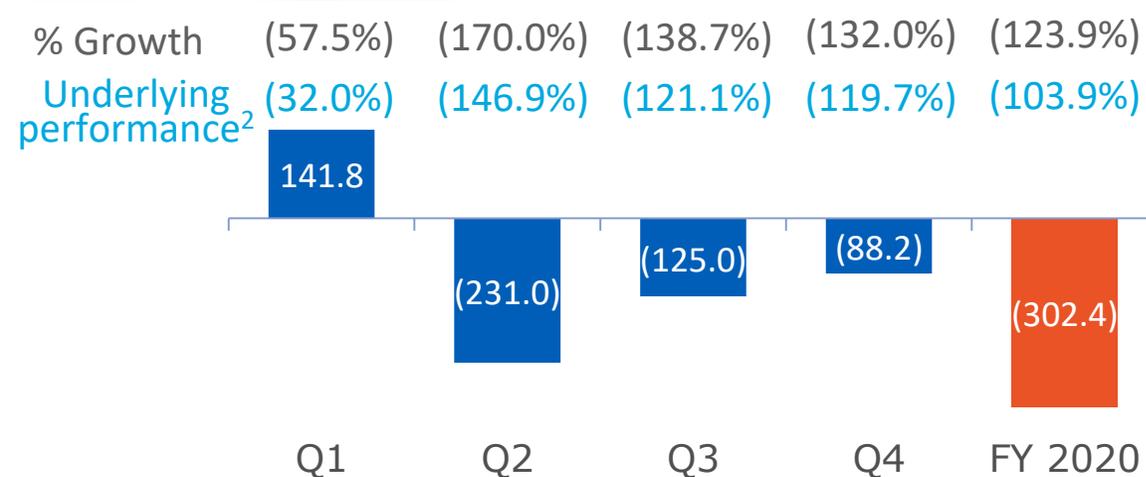
EBITDA¹ (€ millions)



Q4 2020: -93.4% EBITDA evolution (-84.8%, 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 24.7% decline in personnel and other opex, supported by the progress in our fixed cost reduction plan.

Adj. Profit³ (€ millions) & Adj. EPS³ (€)



	Q1	Q2	Q3	Q4	FY 2020
Adj. EPS	€0.33	(€0.51)	(€0.28)	(€0.20)	(€0.68)
% Growth	(57.6%)	(166.9%)	(136.9%)	(130.5%)	(123.1%)
Underlying performance ²	(32.0%)	(144.9%)	(120.1%)	(118.7%)	(103.7%)

Q4 Adjusted profit (loss) driven by the negative operating results and a higher interest expense, partly offset by tax income.

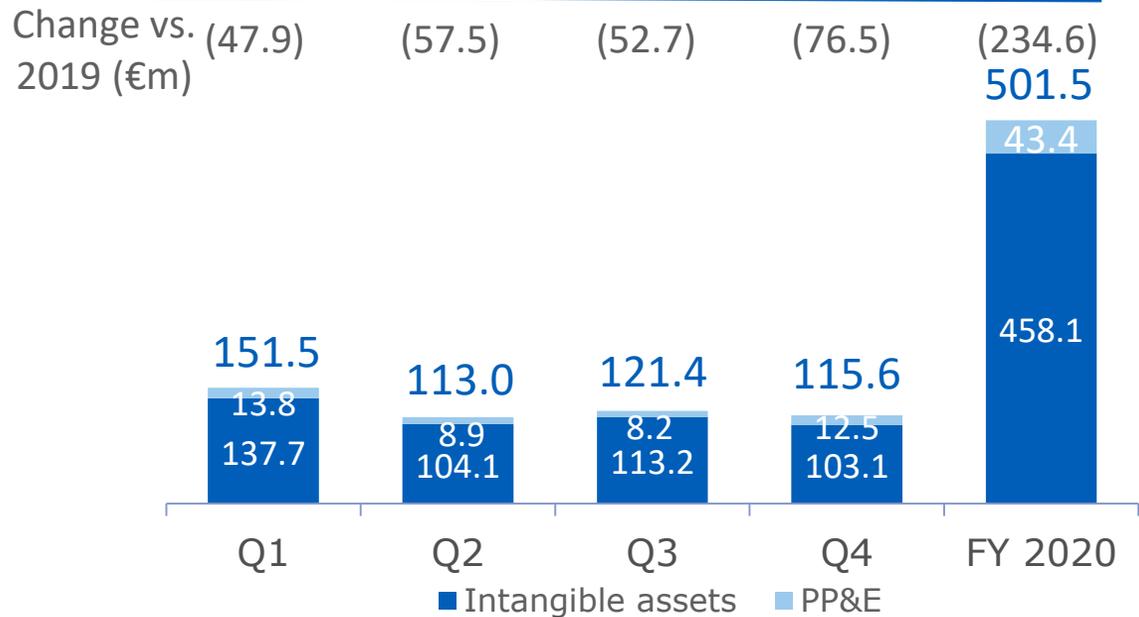
1. Adjusted to exclude costs amounting to €93.4 million and €169.1 million, incurred in the fourth quarter and the full year 2020, respectively, related to the implementation of the cost savings program announced in Q2 2020. See sections 3 and 5 of 2020 Management Review for more details.

2. Adjusted to exclude cancellations and bad debt effects associated with the COVID-19 pandemic, as well as upfront financing fees in relation to the bridge to bond and convertible bond issuance, as described in section 5 of the 2020 Management Review. It also excludes one-time costs related to the implementation of the cost savings program announced in Q2 2020.

3. Excluding after-tax impact of: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

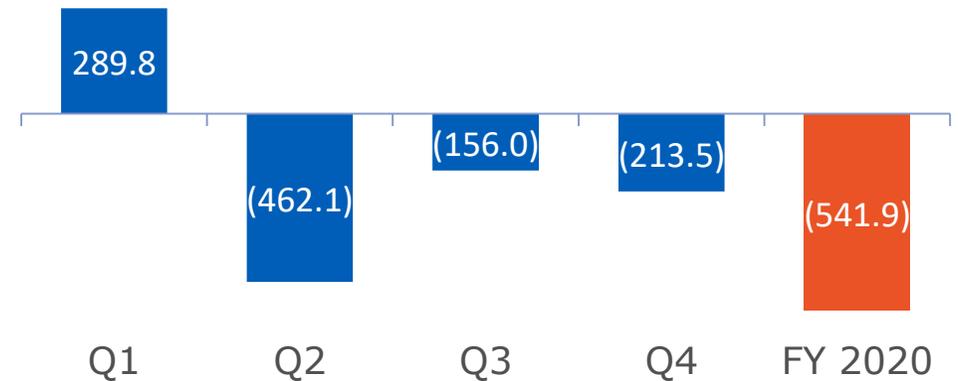
Capex and Free cash flow

Capex (€ millions)



- Q4 / FY 2020 capex vs. 2019 decreased from lower software capitalizations, signing bonuses paid and capex in PP&E, driven by our fixed cost reduction plan measures.
- Q4 / FY 2020 software capitalizations decline driven by a reduction in R&D investment of 33.5% in Q4 and 18.3% in FY (resulting from a selective approach and prioritizing investment in strategic projects). Also, a lower capitalization ratio, due to project mix, in 2020.

Free cash flow¹ (€ millions)



- Negative free cash flow in Q4, resulting from EBITDA evolution, reduced capex, a working capital outflow and tax and interest payments.
- Cash flow in Q4 was reduced due to: (i) €120 million social security and payroll tax payments, delayed from previous quarters, and (ii) €31.6 million cost savings program implementation costs paid (€34.1 million in FY).

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

2021 views

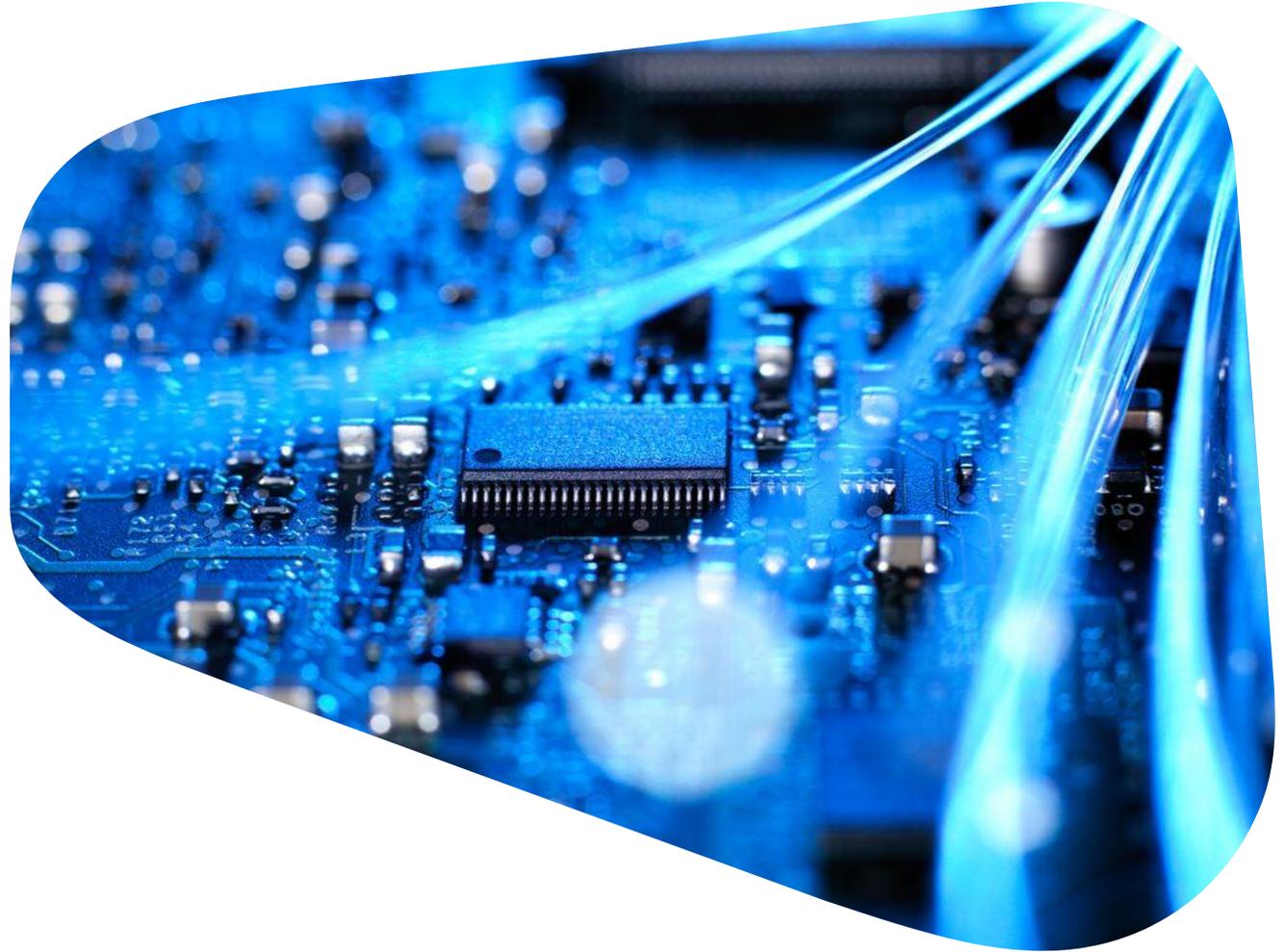
Short-term traffic evolution not easy to predict

- IATA 2021 forecast: -62% RPK growth vs. 2019 (-67% downside case).
- Sufficient liquidity headroom for 2021-2022.

Strengthening Amadeus for the future

- We continue supporting our customers and expanding our customer bases.
- Protecting strategic investments: including NDC, Hospitality, technological acceleration (3/5-year migration to public cloud).
- Fixed cost structure optimization into 2021: €50 million fixed cost reduction vs. 2020.

Support materials



Key Performance Indicators

	2020	2019	Change	<i>Underlying financial performance¹</i>
Amadeus TA bookings (m)	136.7	646.6	(78.9%)	
Passengers Boarded (m)	690.6	1,993.7	(65.4%)	
Revenue (€m)	2,174.0	5,570.1	(61.0%)	(52.8%)
EBITDA (€m) ²	227.8	2,232.4	(89.8%)	(74.9%)
Adjusted profit ³ (€m)	(302.4)	1,263.1	(123.9%)	(103.9%)
Adjusted EPS ³ (€)	(0.68)	2.93	(123.1%)	(103.7%)
Free Cash Flow ⁴ (€m)	(541.9)	1,030.4	(152.6%)	

- Adjusted to exclude cancellation and bad debt effects associated with the COVID-19 pandemic, costs related to the implementation of the cost savings programs and upfront financing fees in relation to the bridge to bond facility signed in March 2020, and the convertible bond issued in April 2020, as described in sections 3 and 5 of 2020 Management Review.
- 2020 EBITDA adjusted to exclude costs amounting to €169.1 million (€120.9 million post tax), incurred in the second half of 2020, related to the implementation of the cost savings program announced in Q2 2020. See sections 3 and 5 of 2020 Management Review for more details.
- Excluding after-tax impact of the following items: (i) accounting effects derived from PPA exercises and impairment losses, (ii) non-operating exchange gains (losses), (iii) costs related to the implementation of the cost savings programs and (iv) other non-operating, non-recurring effects. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.
- Defined as EBITDA, minus capex, plus changes in our operating working capital, minus taxes paid, minus interests and financial fees paid.

Thank you!

