Amadeus
2017 Results

Feb 28, 2018

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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 and CEO

2017 - Profitable growth

_ Revenue +8.5%

- Strong operating performance
- Navitaire acquisition effect (late Jan. ‘16)
- Negative FX impact

_ EBITDA +9.7%

- Positive FX impact
- Excluding FX: high single-digit revenue/EBITDA growth rate

_ Adjusted profit +22.5%

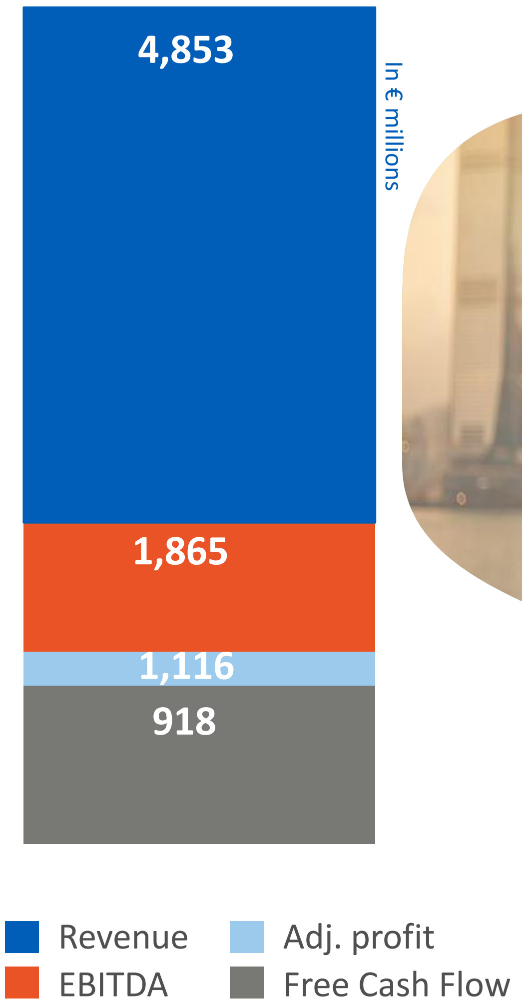
- Adjusted EPS +22.3%

_ Free Cash Flow +13.1%

_ Leverage 1.12x

- Up to €1.0 billion share repurchase program

FY 2017



Recent business highlights

Airline Distribution

- We renewed / signed 26 **content agreements** in the quarter, including Delta and El Al - a total of 55 in 2017
  - 12 were new signatures with low-cost and hybrid carriers
  - Subscribers to Amadeus' inventory can now access over 110 **low-cost and hybrid carriers**' content worldwide
- Interest in our **merchandising solutions** for the indirect channel continued to grow during the fourth quarter
  - 7 airlines signed up for Amadeus Airline Ancillary Services for the indirect channel, including All Nippon Airways
  - 4 carriers contracted Amadeus Fare Families, including El Al
  - At the end of 2017, 143 airlines had signed up for Amadeus Airline Ancillary Services and 66 had contracted Amadeus Fare Families

Airline IT

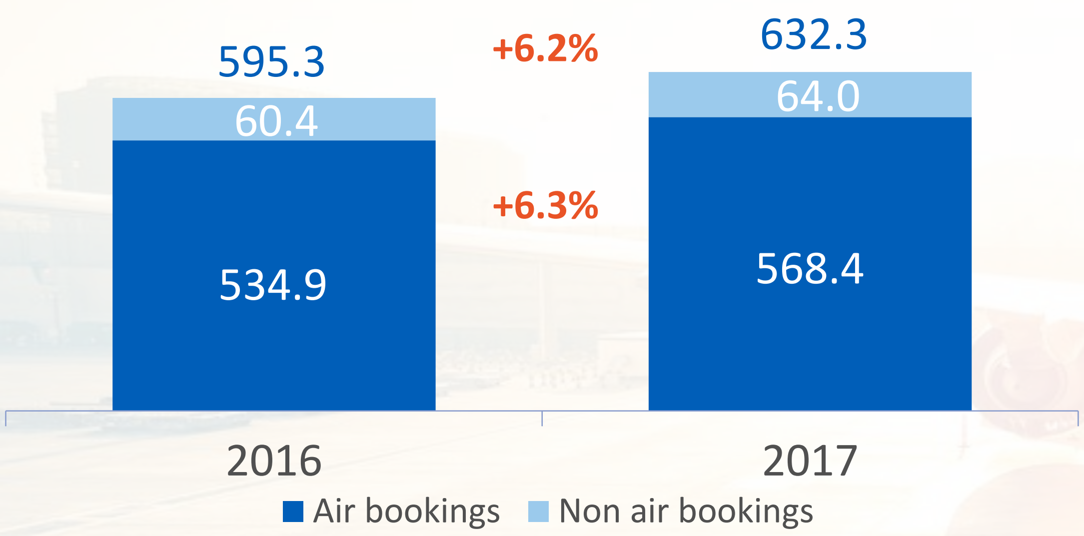
- **PSS new signatures** included Germania, Germania Swiss, Norwegian Air Argentina and Flybe - Europe's largest regional airline, who also contracted for Amadeus Anytime Merchandising and Amadeus Customer Experience Management
- **Upselling activity** included All Nippon Airways contracting Airline Cloud Availability, LATAM taking Altéa DCS Flight Management and Malaysia Airlines contracting Amadeus Customer Experience Management, among others
- We had intense **customer implementation activity** in the quarter, including Japan Airlines to Altéa

New businesses

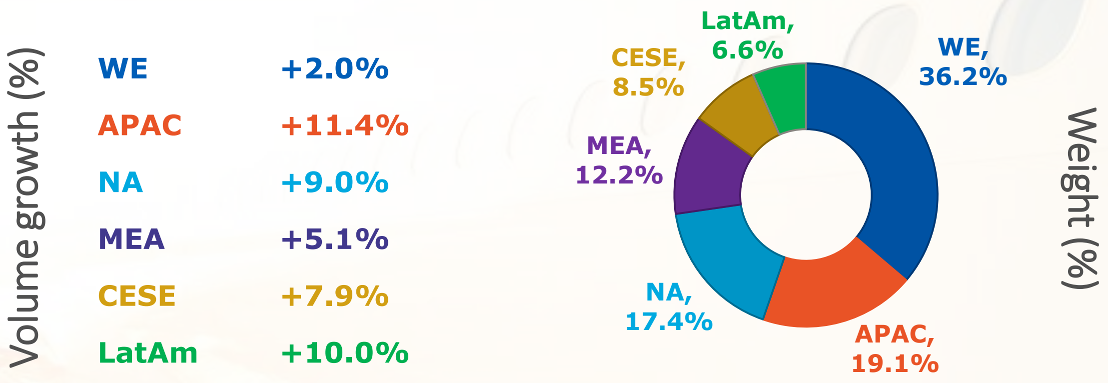
- **Hospitality IT:** progressing in the roll-out of the Guest Reservation System with IHG (full deployment expected by late 2018 / early 2019)
- **New Airport IT customers**: Velana International Airport (Maldives), Biarritz Airport (France) and Aktau International Airport (Kazakhstan)

Distribution

Amadeus TA bookings (in millions)

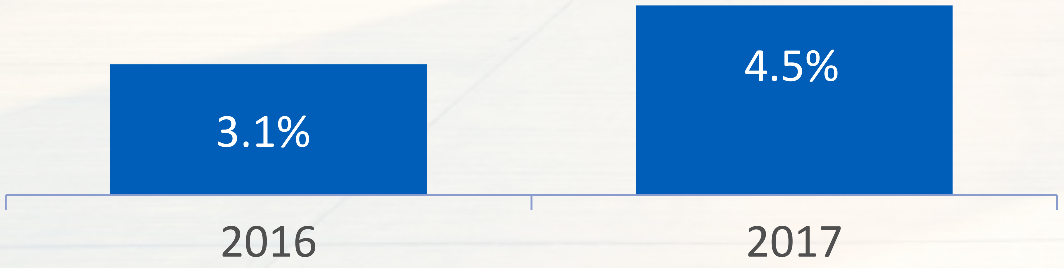


Amadeus TA air bookings by region



WE = Western Europe; APAC = Asia and Pacific; NA = North America (incl. Mexico); MEA = Middle East and Africa; CESE = Central, Eastern and Southern Europe; LatAm = Latin America

TA air booking industry growth[1]

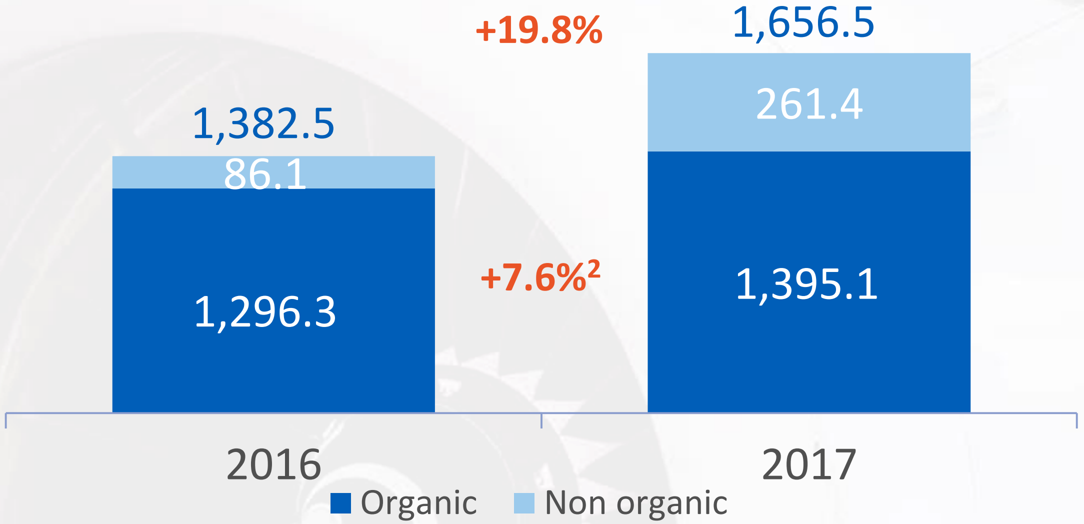


Competitive position enhancement[1]

1. When we refer to our competitive position, we are taking into account our TA air bookings in relation to the TA air booking industry, defined as the total volume of TA air bookings processed by the global CRS. It excludes air bookings made directly through in-house airline systems or single country operators, the latter primarily in China, Japan and Russia, which together combined represent an important part of the industry.

IT Solutions

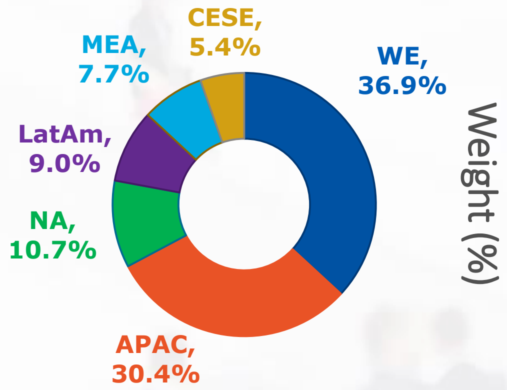
Passengers Boarded[1] (in millions)



Amadeus PB[1] by region

Volume growth (%)

WE	+8.7%
APAC	+17.3%
NA	+171.9%
LatAm	+10.5%
MEA	+6.2%
CESE	+24.5%



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- As of December 2017, 199[3] customers had contracted for Altéa or New Skies, of which 195 had been migrated
- PB growth of 19.8%, driven by:
  - 7.6%[2] organic growth
  - Carrier implementations on our PSS platforms, both in 2017 (including Southwest Airlines, Japan Airlines, Malaysia Airlines, Kuwait Airways, Boliviana de Aviación, SmartWings, Germania, Norwegian Air Argentina, Air Algerie and MIAT - Mongolian Airlines on Altéa, as well as, GoAir, Viva Air Peru, Andes Líneas Aéreas, JetSMART and flyadeal on New Skies) and in 2016 (including Swiss International Air Lines, Brussels Airlines, China Airlines and Ukraine International Airlines on Altéa and Viva Group on New Skies)
  - To a lesser extent, the consolidation impact from Navitaire

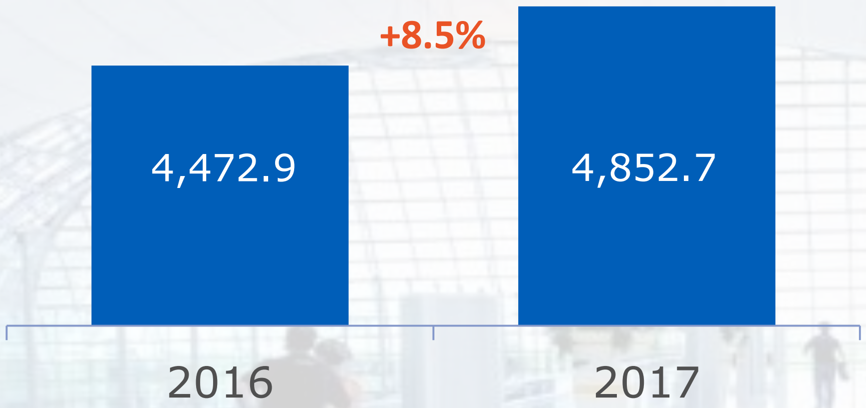
1. Passengers Boarded (“PB”) refers to actual passengers boarded onto flights operated by our Altéa and New Skies migrated customers.
2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods, excluding Air Berlin and January 2016 and 2017 Navitaire New Skies passengers boarded.
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

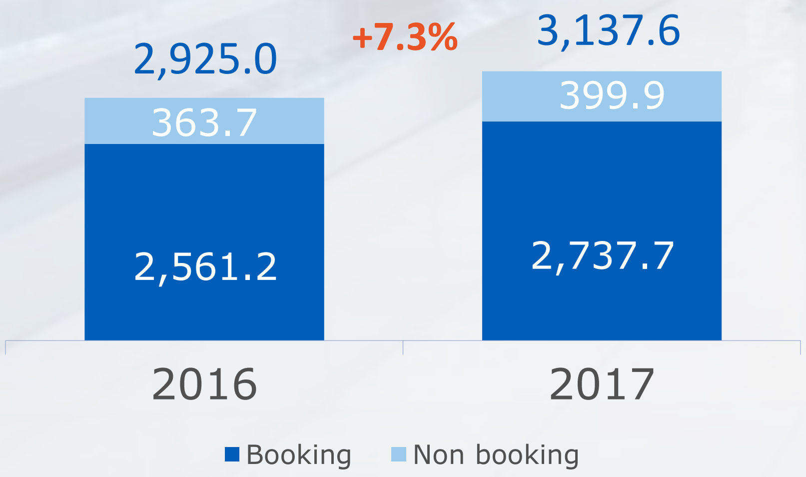
Revenue growth by segment

Group revenue (in € millions)

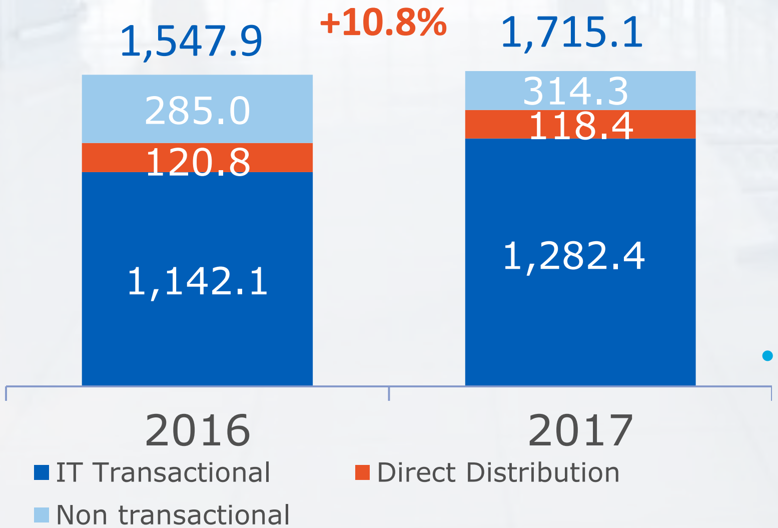


Segment revenue (in € millions)

Distribution



IT Solutions

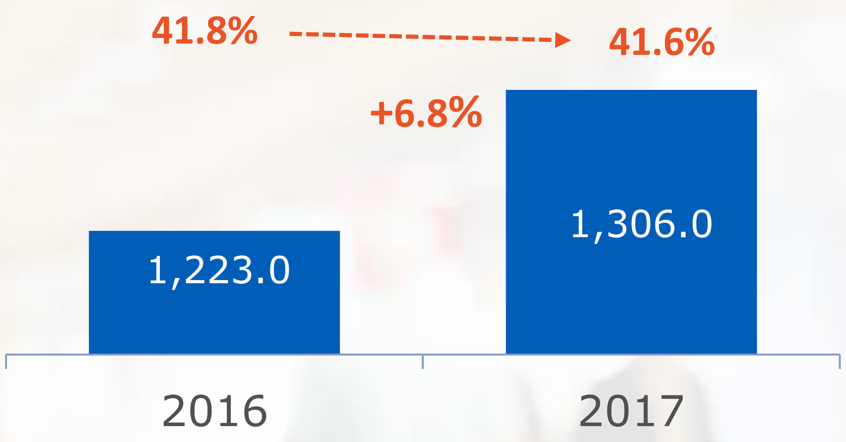


- **Group revenue** expanded by 8.5%, resulting from the positive evolutions of Distribution and IT Solutions, the consolidation of Navitaire and a negative FX impact
- **Distribution**:
  - 6.9% booking revenue increase: volume growth and higher average revenue per booking, driven by positive booking and customer mix, and contract renegotiations
  - 9.9% non-booking revenue growth: search solutions, tools for corporations, advertising solutions and payment offering for travel agencies
- **IT Solutions**:
  - 12.3% IT transactional revenue growth: (i) volume expansion, coupled with dilutive PSS average pricing, as a consequence of customer mix (increasing weight of low-cost and hybrid carriers' volumes), (ii) increased revenue from e-commerce, merchandising and personalization tools, revenue management systems and Airline Cloud Availability, among others, and (iii) healthy performance of Airport IT and Payments
  - 10.3% non transactional revenue growth: consulting services and Hospitality IT

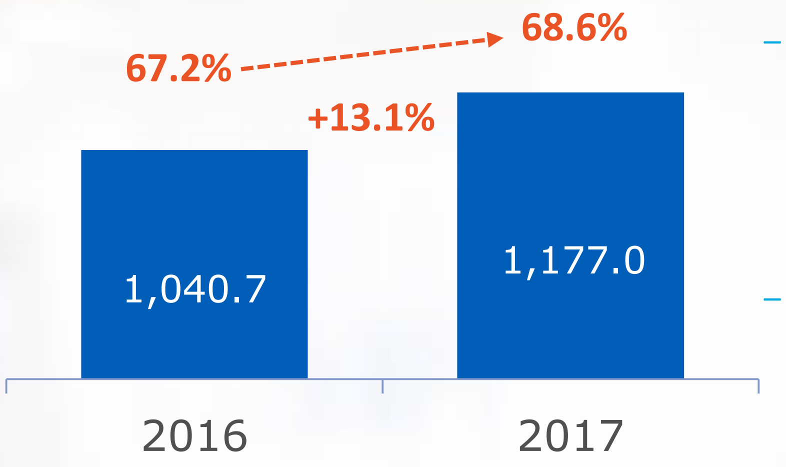
Contribution by segment

Contribution by segment (in € millions)

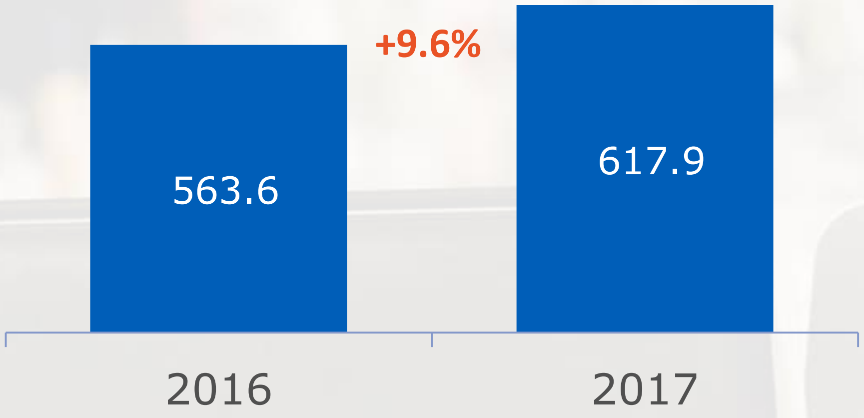
Distribution



IT Solutions



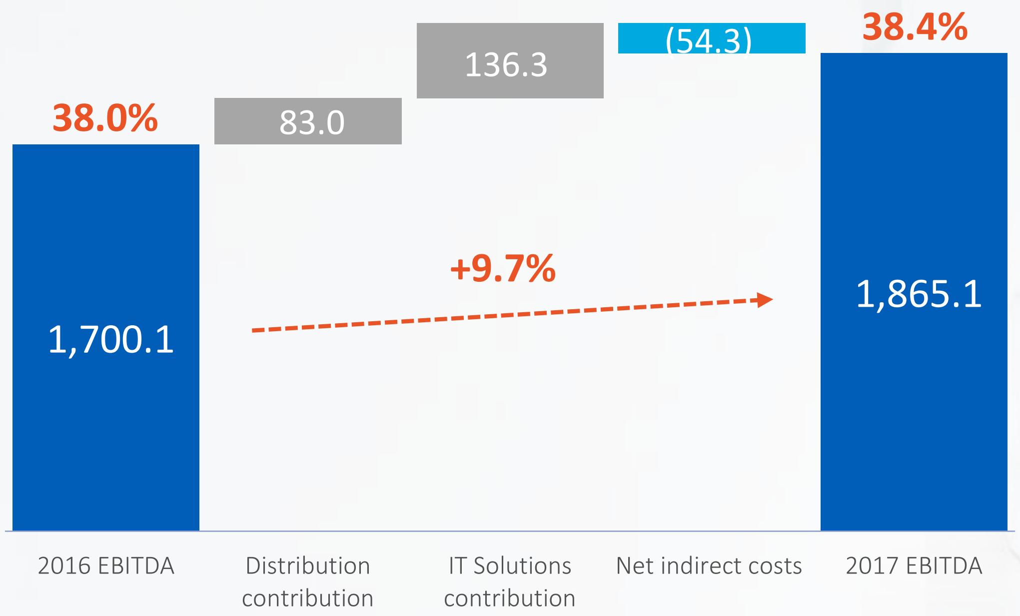
Net indirect costs (in € millions)



- **Distribution**: +6.8% contribution growth, resulting from revenue increase and margin contraction (impacted by a higher unitary distribution cost due to competitive pressure and customer mix)
- **IT Solutions**: +13.1% contribution growth, as a combination of revenue growth and margin expansion, supported by FX effects, non-recurring cost impacts, our new businesses and a broadly stable margin in Airline IT
- **Net indirect costs**: +9.6% growth, due to increased resources in corporate functions to support business expansion, the consolidation of Navitaire and a decrease in the capitalization ratio, impacted by project mix

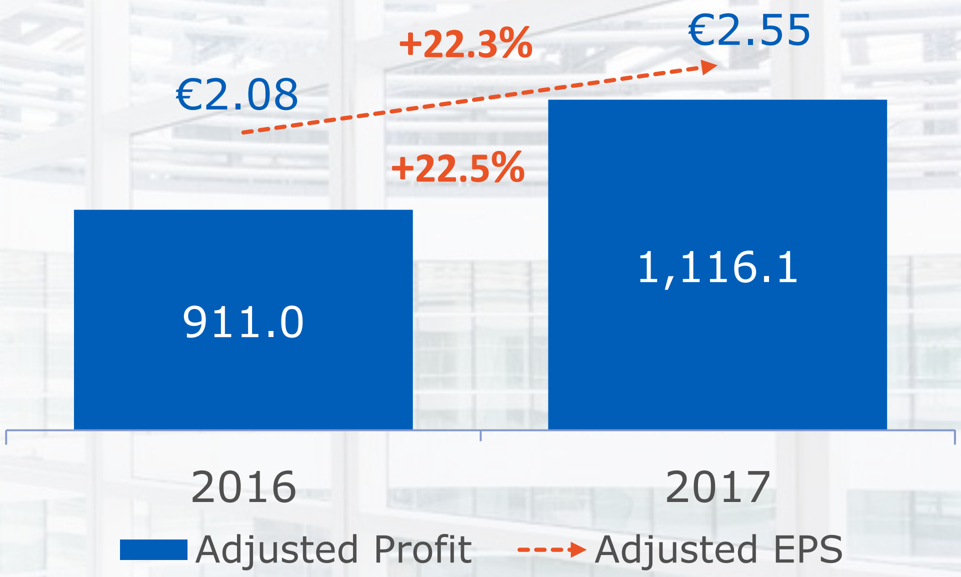
EBITDA and Adjusted EPS growth

EBITDA (in € millions)



- EBITDA growth resulting from:
  - Distribution and IT Solutions positive performances
  - Positive FX
  - Partly offset by an increase in net indirect costs
- Excluding FX, EBITDA grew at a high single-digit growth rate and EBITDA margin was broadly stable

Adj. Profit[1] (in € millions) & Adj. EPS[2] (€)

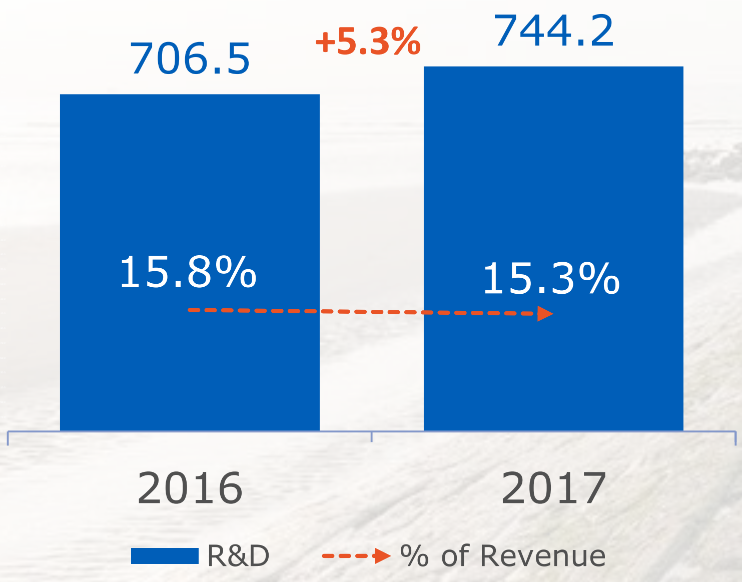


- Adjusted profit increase as a result of :
  - EBITDA growth, coupled with lower financial and tax expenses, partly offset by D&A increase
  - Reduction of income tax rate to 20.8%, highly impacted by adjustments of deferred tax liabilities in France and the U.S. (lower corporate tax rates starting in 2018, in accordance with government regulatory changes)

1. 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.
2. EPS corresponding to the Adjusted profit attributable to the parent company. Calculated based on weighted average outstanding shares of the period.

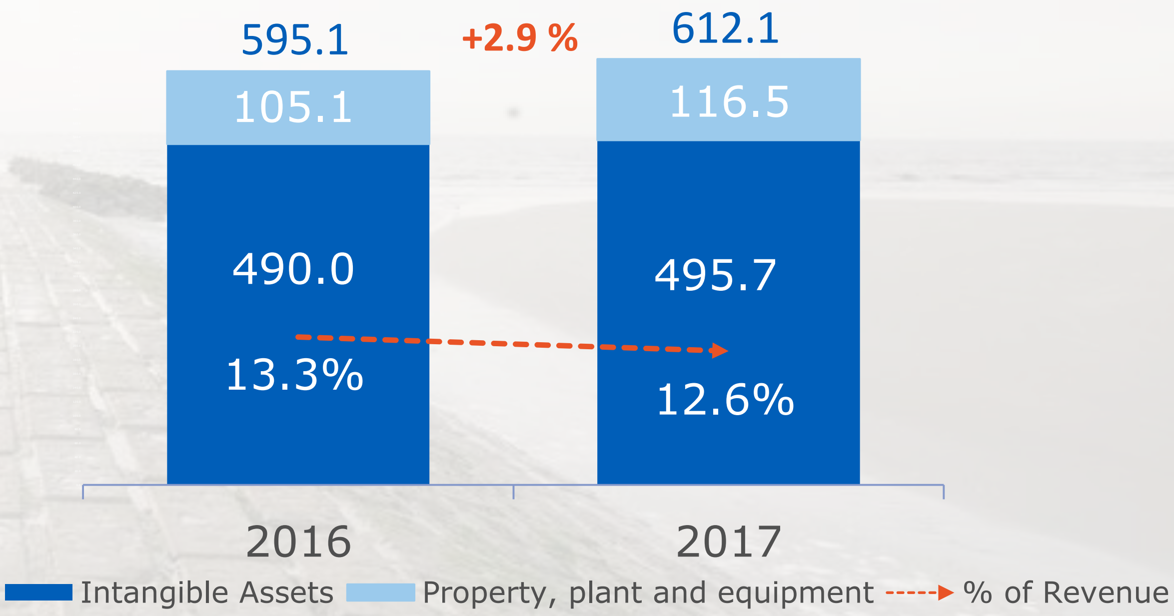
Investment in R&D and Capex

R&D investment[1] (in € 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 15.3% of revenue

Capex (in € millions)

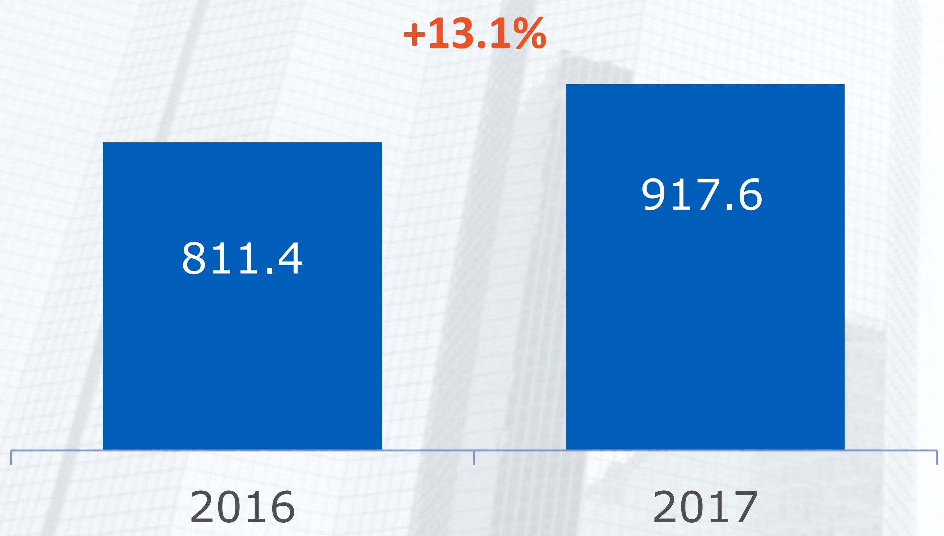


- Small increase in capex in intangible assets driven by higher software capitalizations, partially offset by lower signing bonuses
- Increase in capex in PP&E, related to hardware and software purchases and equipment for new offices in Europe and America
- Capex represented 12.6% of revenue

1. Net of research tax credit.

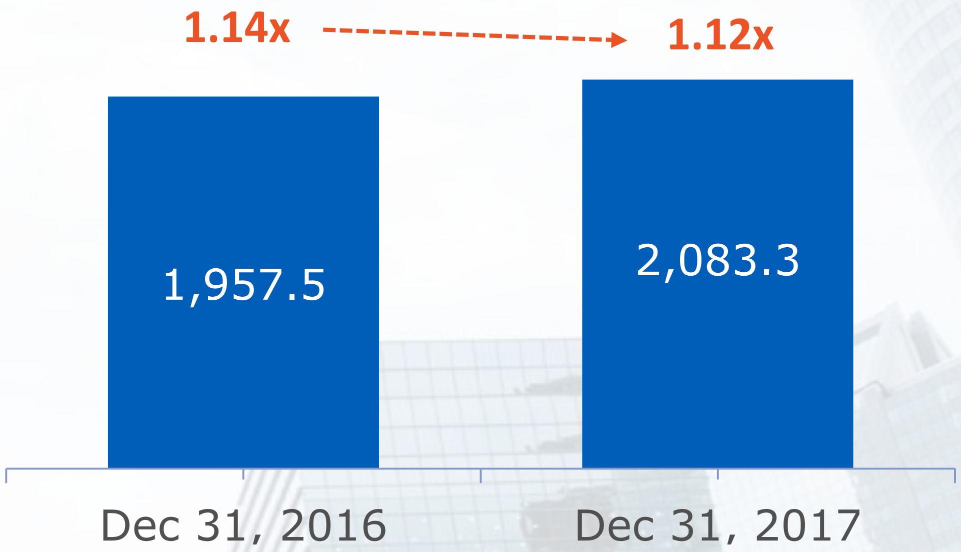
Free cash flow generation and leverage

Free cash flow[1] (in € millions)



– Increased free cash flow generation, as a result of higher EBITDA and lower interest paid, partly offset by increased capex, higher taxes paid, and a lower working capital inflow

Net debt (in € millions) and leverage (x)[2]



– Net debt increase as result of (i) 2016 dividend payment (ii) the acquisition of i:FAO shares and (iii) the first tranche of share buy-back program (€500m), partially offset by free cash flow generation

1. Free cash flow defined as EBITDA, less capex, plus changes in operating working capital, less taxes paid, less interests and financial fees paid.
2. Covenant net financial debt and leverage based on the definition included in the senior credit agreement covenants. Leverage calculated as covenant net financial debt divided by LTM covenant EBITDA.

Outlook

2017 Restatement for 2018 accounting changes

From 2018:

- IFRS 15: TA IT revenue to be recognized in Distribution operating costs
- IFRS 9: new impairment methodology for bad debt
- Building and facilities expense: to be accounted for within Indirect costs (previously in Distribution, IT Solutions and Indirect costs)

In € millions	2017 Reported	2017 Restated[1]	Change[1]
Distribution revenue	3,137.6	2,925.2	(212.4)
IT Solutions revenue	1,715.1	1,715.1	0.0
Group revenue	**4,852.7**	**4,640.3**	**(212.4)**
Distribution contribution	1,306.0	1,348.9	42.9
Contribution margin	41.6%	46.1%	4.5 p.p.
IT Solutions contribution	1,177.0	1,217.8	40.8
Contribution margin	68.6%	71.0%	2.4 p.p.
Total contribution	**2,483.0**	**2,566.7**	**83.7**
Net Indirect costs	(617.9)	(707.0)	(89.0)
EBITDA	**1,865.1**	**1,859.8**	**(5.3)**
EBITDA Margin (%)	38.4%	40.1%	1.6 p.p.

1. Unaudited and subject to change throughout 2018.

2018 Outlook[1]

Excluding FX considerations

Revenue	_ Mid to high single-digit growth rate
EBITDA	_ High single-digit growth rate
Free cash flow	_ Capex: 12-15% of revenue _ Free cash flow generation: €950-1000 million
Capital structure	_ 1.0 – 1.5x Net Debt / EBITDA
Shareholder remuneration	_ Ordinary dividend 50% pay-out ratio and share repurchase program of up to €1 billion potentially through March 2020

1. With respect to 2017 Restated and after IFRS 16 early adoption from Jan 1, 2018.

2018 Outlook by segment[1]

Excluding FX considerations

Distribution

Revenue growth rate: mid single-digit

- Expected deceleration in air traffic growth
  - IATA projects 6.0% air traffic growth for 2018 (vs. IATA's reported 7.4% in 2017)[2]
  - Easter timing difference impacting Q1 and Q2 2018 volume growth
- Continued improvement of our competitive position

Margin evolution

- Dilution
  - Competitive pressure and customer mix

IT Solutions

Revenue growth rate: high single-digit to low double-digit

- Low double-digit PB growth
  - +120m PB impact in 2018 from 2017 and 2018[3] migrations
  - Expected de-migration of TAM and impact from Air Berlin Group's and Monarch Airlines' ceased operations[4]
- Average revenue per PB diluted by higher weight of low-cost and hybrid carriers and lower growth from non-PB related revenue captions
- Growth from new businesses

Margin evolution

- Dilution
  - Combination of effects including faster NBU growth as well as NBU expansion in commercial and customer support activities

1. With respect to 2017 Restated.
2. Source: IATA Air Passenger Market Analysis December 2017 (Jan 2018).
3. In 2017: mainly Southwest Airlines (the domestic passengers business) (Q2), Kuwait Airways (Q2), Malaysia Airlines (Q3), Boliviana de Aviación (Q3), Japan Airlines, Air Algerie and Germania (end of the year). In 2018: mainly Flybe.
4. Based on public information, TAM carried over 30 million passengers in 2017. Air Berlin ceased operations at the end of October 2017 (Bel Air and Niki, part of the Air Berlin Group, ceased operations in July and December 2017, respectively). Based on information published by Air Berlin in July 2017, during the Jan-Jul 2017 period, Air Berlin Group carried 13.8 million passengers. Monarch Airlines ceased operations in October 2017. According to public sources, the airline carried c.5.4 million passengers in 2016.

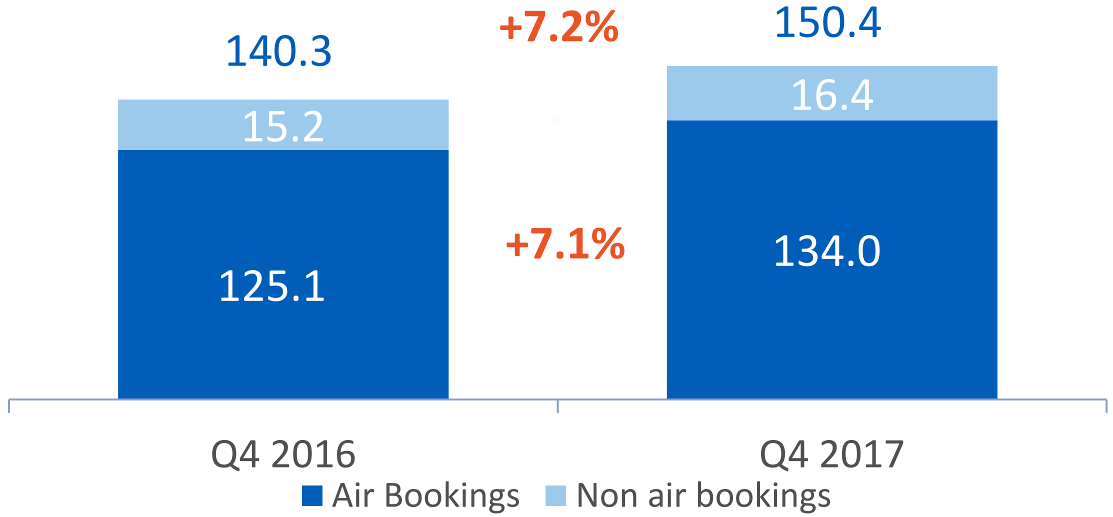
2018 Investments

Customer implementation activity	➢ Airline IT solutions portfolio: ➢ PSS: scheduled Altéa implementations (such as Air Canada or flybe) and ongoing DCS implementation activity (such as LATAM Airlines Group) ➢ Other solutions, including merchandising and personalization tools, Cloud Availability, revenue optimization solutions, loyalty ➢ New businesses, particularly Hospitality IT (including IHG, Premier Inn and ongoing Sales and Catering portfolio implementations) but also Airport IT, Payments and Rail IT
Product portfolio expansion and evolution	➢ Airline content distribution and retailing: NDC, merchandising, personalization, digital platform ➢ Revenue optimization and disruption management solutions for airlines ➢ New businesses portfolio expansion and development ➢ Solutions for travel agencies and corporations
Technology evolution	➢ Ongoing shift to Cloud and adoption of new technologies ➢ Projects to enhance our systems security and stability

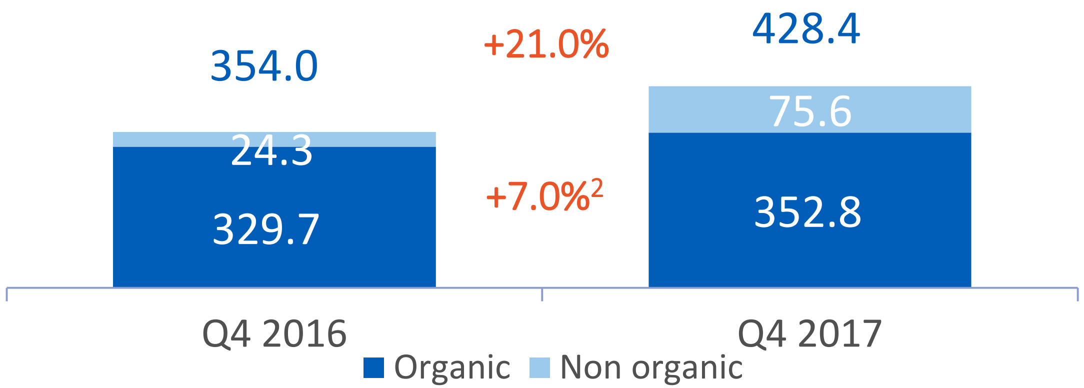
Support materials

Q4 Volumes

Amadeus TA Bookings (in millions)



Passengers Boarded[1] (in millions)



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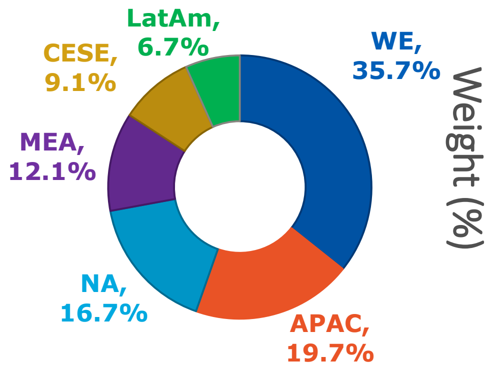
2. Calculated based on passengers boarded adjusted to reflect growth of comparable airlines on the Altéa and New Skies platforms during both periods, excluding Air Berlin and January 2016 and 2017 Navitaire New Skies passengers boarded

Amadeus TA Air Bookings by region

Volume growth (%)

WE	+1.5%
APAC	+10.9%
NA	+13.6%
MEA	+5.3%
CESE	+15.9%
LatAm	+5.5%



Weight (%)

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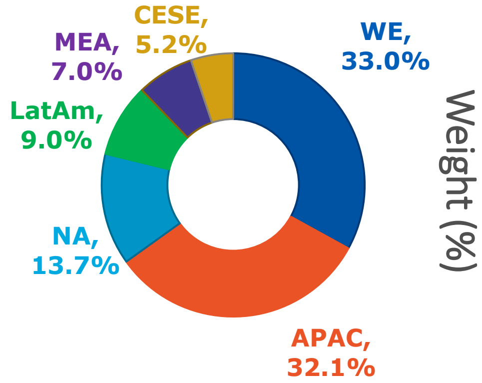
Amadeus PB[1] by region

Volume growth (%)

WE	+3.0%
APAC	+19.8%
NA	+229.3%
LatAm	+4.9%
MEA	+4.3%
CESE	+20.0%



Weight (%)

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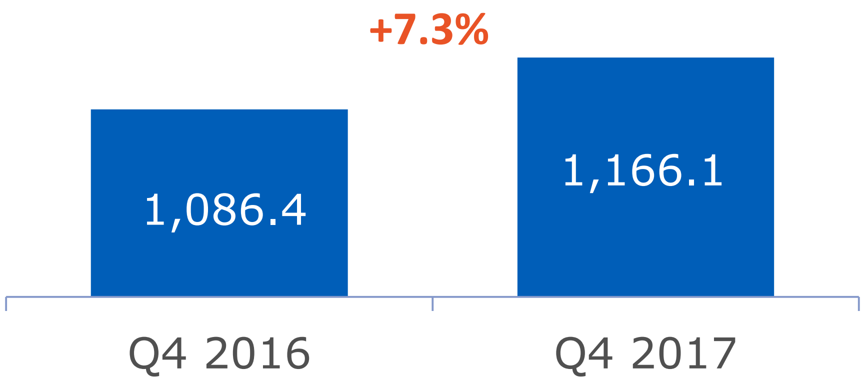
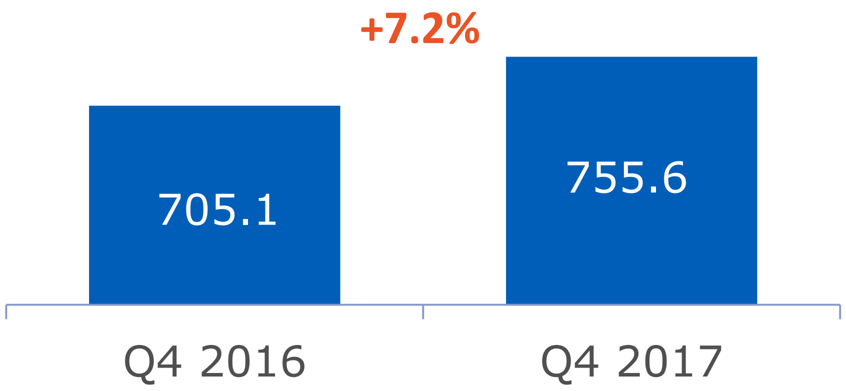
Q4 revenue by segment

Group Revenue (in € millions)

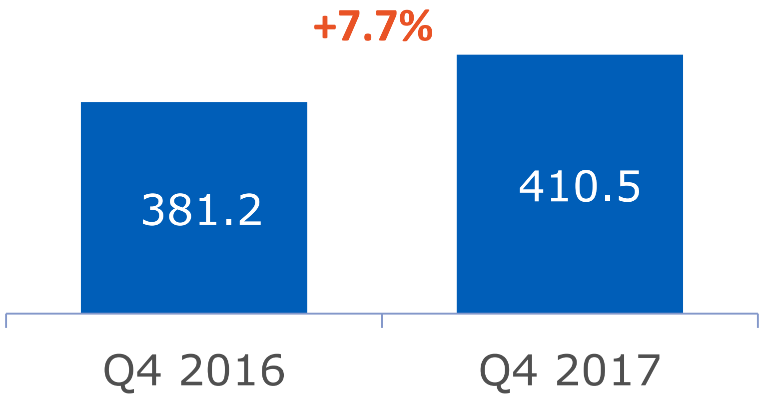


Segment Revenue (in € millions)

Distribution



IT Solutions



- **Group revenue:** highly impacted by negative foreign exchange effects. Excluding FX, revenue grew at a low double-digit rate.
- **Distribution:** healthy volume evolution, average pricing increase and non booking revenue growth (excluding negative FX impact).
- **IT Solutions**: double-digit growth rate excluding negative FX effects. Underlying growth driven by airline IT (volume increase coupled with dilutive PSS average pricing, due to the higher weight of low-cost and hybrid carriers' volumes) and the new businesses.

Key Performance Indicators

	FY 2017	FY 2016	% Change
Amadeus TA air Bookings (m)	568.4	534.9	6.3%
Passengers Boarded (m)	1,656.5	1,382.5	19.8%
Revenue (€m)	4,852.7	4,472.9	8.5%
EBITDA (€m)	1,865.1	1,700.1	9.7%
Adjusted profit (€m)	1,116.1	911.0	22.5%
Adjusted EPS (€)	2.55	2.08	22.3%
R&D investment (€m)	744.2	706.5	5.3%
CAPEX as % of Revenue	13.3%	12.6%	(0.7 p.p.)
Free Cash Flow (€m)	917.6	811.4	13.1%

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